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Shelf Prospectus
August 23, 2024

MUTHOOT FINCORP LIMITED

Our Company, Muthoot Fincorp Limited (the "**Company**" or the "**Issuer**") was incorporated in the Republic of India under the Companies Act, 1956, as amended as a public limited company on June 10, 1997 at Trivandrum and registered as a Non-Banking Financial Company ("**NBFC**") vide registration number N-16.00170 dated July 23, 2002 within the meaning of the Reserve Bank of India Act, 1934, as amended (the "**RBI Act**"). For further details, see "*General Information*" and "*History and Certain Corporate Matters*" on pages 44 and 130, respectively.

CIN: U65929KL1997PLC011518; **PAN**: AACCM1453E, **Website**: www.muthootfincorp.com

Registered office: Muthoot Centre, TC No 27/3022 Punnen Road Trivandrum 695 001, Kerala; **Tel**: +91 471 491 1550; **Email**: cs@muthoot.com;

Corporate office: Muthoot Centre, Near Spencer Junction, M.G. Road, Trivandrum 695 039, Kerala; **Tel**: +91 471 491 1430; **Email**: cs@muthoot.com;

Compliance Officer and Company Secretary: Sachu Sivas; **Email**: sachu.sivas@muthoot.com; **Tel:** +91 471 491 1621

Chief Financial Officer: Thomas Muthoot; **Email:** tthomas@muthoot.com; **Tel:** +91 484 4161616

PUBLIC ISSUE BY MUTHOOT FINCORP LIMITED, ("COMPANY" OR "ISSUER") OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹1,000 EACH ("NCDS") FOR AN AMOUNT AGGREGATING UP TO ₹ 2,00,000 LAKHS ("SHELF LIMIT") (THE "ISSUE"). THE NCDS WILL BE ISSUED IN ONE OR MORE TRANCHES UP TO THE SHELF LIMIT, ON TERMS AND CONDITIONS INCLUDING TRANCHE ISSUE SIZE AS SET OUT IN THE RELEVANT TRANCHE PROSPECTUS FOR ANY TRANCHE ISSUE (EACH BEING A "TRANCHE ISSUE") WHICH SHOULD BE READ TOGETHER WITH THE DRAFT SHELF PROSPECTUS AND THIS SHELF PROSPECTUS (COLLECTIVELY, THE "PROSPECTUS"). THE ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021, AS AMENDED (THE "SEBI NCS REGULATIONS"), THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER AS AMENDED TO THE EXTENT NOTIFIED AND THE SEBI MASTER CIRCULAR. THE ISSUE IS NOT PROPOSED TO BE UNDERWRITTEN.

PROMOTERS OF THE COMPANY

(i) Thomas John Muthoot, **Email**: muthoot@muthoot.com; **Tel**: +91 471 491 1505, (ii) Thomas George Muthoot; **Email**: muthoot@muthoot.com; **Tel**: +91 484 416 1650 and (iii) Thomas Muthoot, **Email**: muthoot@muthoot.com **Tel**: +91 484 416 1616. For further details, please see "*Our Promoters*" on page 158.

GENERAL RISK

Investment in non-convertible securities is risky and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this Issue. For taking an investment decision, the investors must rely on their own examination of the Issuer and the Issue, including the risks involved in it. Specific attention of the Investors is invited to the section "*Risk Factors*" on page 19 and "*Material Developments*" on page 162 before making an investment in such Issue. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities. This Shelf Prospectus has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), any Registrar of Companies, Kerala and Lakshadweep, or any stock exchange in India nor do they guarantee the accuracy or adequacyof this document.

COUPON RATE, COUPON PAYMENT FREQUENCY, REDEMPTION DATE, REDEMPTION AMOUNT & ELIGIBLE INVESTORS

For details relating to Coupon Rate, Coupon Payment Frequency, Redemption Date, Redemption Amount & Eligible Investors of the NCDs, please see "*Issue Structure*" on page 274.

CREDIT RATING

Our Company has received rating of "CRISIL AA-/Stable" (pronounced as CRISIL double A minus rating with a Stable outlook) for an amount of ₹ 1,90,000 lakhs of NCDs by CRISIL Ratings Limited vide its letter dated June 29 2024, and "CRISIL AA-/Stable" (pronounced as CRISIL double A minus rating with a Stable outlook) for an amount of ₹ 1,10,000 lakhs of NCDs (of which, ₹ 10,900 lakhs is unutilized) by CRISIL Ratings Limited vide its letter dated June 29, 2024, along with the rating rationale dated June 28, 2024 for the NCDs proposed to be issued pursuant to this Issue. The rating given by CRISIL Ratings Limited is valid as on the date of this Shelf Prospectus and shall remain valid on date of issue and Allotment of the NCDs and the listing of the NCDs on BSE. The rating of the NCDs indicates that instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The ratings provided by CRISIL Ratings Limited may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and Investors should take their own decisions. Please refer to Annexure A on page 331 for the rationale and press release for the above rating. There are no unaccepted ratings and any other ratings other than as specified in this Shelf Prospectus.

PUBLIC COMMENTS

The Draft Shelf Prospectus dated August 8, 2024 was filed with BSE, pursuant to Regulation 27(2) of the SEBI NCS Regulations and was kept open for public comments for a period of seven Working Days (i.e., until 5 p.m.) from the date of filing of the Draft Shelf Prospectus with the Stock Exchanges i.e., August 19, 2024. No comments were received on the Draft Shelf Prospectus until 5:00 p.m. (Indian Standard Time) on August 19, 2024.

LISTING

The NCDs offered through the Draft Shelf Prospectus, this Shelf Prospectus and the relevant Tranche Prospectus(es) are proposed to be listed on BSE Limited ("**BSE**" or "**Stock Exchange**"). Our Company has received an 'in-principle' approval from BSE *vide* their letter no. DCS/BM/PI-BOND/16/24-25 dated August 21, 2024. BSE shall be the Designated Stock Exchange for the Issue.

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE	DEBENTURE TRUSTEE
Nuvama Wealth Management Limited 801-804, Wing A, Building No 3, Inspire BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400 051 **Tel:** +91 22 4009 4400 **Email**: mfl.ncd@nuvama.com **Website:** www.nuvama.com **Contact Person:** Saili Dave	**Integrated Registry Management Services Private Limited** 2nd Floor, Kences Towers, No. 1 Ramakrishna Street North Usman Road, T. Nagar, Chennai 600 017. **Tel**: +91 44 28140801 to 28140803 **Fax**: +91 44 2814 2479 **Email**: yuvraj@integratedindia.in **Website**: www.integratedregistry.in **Contact Person**: S Yuvaraj	**Vardhman Trusteeship Private Limited*** The capital, A Wing, 412A, Bandra Kurla Complex, Bandra (East), Mumbai – 400051 **Tel**: +91 22 4264 8335/ 4014 0832 **E-mail:** corporate@vardhmantrustee.com **Website**: https: //vardhmantrustee.com **Contact Person**: Rushabh Desai

CREDIT RATING AGENCY	JOINT STATUTORY AUDITORS	
CRISIL Ratings Limited CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai 400076. **Tel:** + 91 22 3342 3000 **Fax:** +91-22-3342 3050 **Email:** crisilratingdesk@crisil.com **Contact Person:** Ajit Velonie	**M/s. Krishnan Retna & Associates** 201 Block A, Nandini Gardens, Fort, Thiruvananthapuram, Kerala – 695023 **Tel:** 91 471 2476356 **Email:** trivandrum@krishnanretna.com **Contact Person:** Nikhil R Kumar **Peer Review No.**: 015229	**M/s. Rangamani & Co** Rose Gardens, North of Iron Bridge, Alappuzha, Kerala – 6880111 **Tel:** +91 477 225 1474 **Email:** rangamanis@rediffmail.com **Contact Person:** Krishnan R **Peer Review No.**: 014457

ISSUE PROGRAMME**

ISSUE OPENS ON: *As specified in the relevant tranche prospectus*	ISSUE CLOSES ON**: *As specified in the relevant tranche prospectus*

* *Vardhman Trusteeship Private Limited has by its letter dated June 12, 2024 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in the Draft Shelf Prospectus, this Shelf Prospectus and relevant Tranche Prospectus and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to this Issue. For further details, please see Annexure C of this Shelf Prospectus.*

*** The Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the period as indicated in the relevant Tranche Prospectus. Our Company may, in consultation with the Lead Manager, consider closing the relevant Tranche Issue on such earlier date or extended date (subject to a minimum period of three working days and a maximum period of 10 working days from the date of opening of the Issue and subject to not exceeding thirty days from filing relevant tranche prospectus with ROC, including any extensions), as may be decided by the Board of Directors or the Stock Allotment Committee, subject to relevant approvals, in accordance with the Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in an English daily national newspaper with wide circulation and a regional daily with wide circulation where the registered office of the Company is located (in all the newspapers in which pre-issue advertisement for opening of this Issue has been given on or before such earlier or initial date of Issue closure). On the Issue Closing Date, the Application Forms will be accepted only between 10:00 a.m. and 3:00 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchange. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 p.m. on one Working Day post the Issue Closing Date. For further details please see "General Information" on page 44.*

A copy of the Shelf Prospectus and relevant Tranche Prospectus shall be filed with the RoC, in terms of Section 26 of the Companies Act, 2013, along with the requisite endorsed/certified copies of all requisite documents. For further details please see "Material Contracts and Documents for Inspection" on page 328.

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SECTION I : GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, all references in this Shelf Prospectus to "the Issuer", "our Company", "the Company" or "Muthoot Fincorp Limited", a non-banking financial company incorporated under the Companies Act, 1956, as amended and replaced from time to time, having its registered office at Muthoot Centre, TC No 27/3022 Punnen Road Trivandrum – 695 001, Kerala. Unless the context otherwise indicates, all references in this Shelf Prospectus to "we" or "us" or "our" are to our Company.

Unless the context otherwise indicates or implies, the following terms have the following meanings in this Shelf Prospectus, and references to any statute or regulations or policies includes any amendments or re-enactments thereto, from time to time.

Company related terms

Term	Description
₹/ Rs./ INR/ Rupees/ Indian Rupees	The lawful currency of the Republic of India
AoA/ Articles/ Articles of Association	Articles of Association of our Company, as amended from time to time
Auditors/ Joint Statutory Auditors	M/s Krishnan Retna & Associates and M/s. Rangamani & Co.
Audited Consolidated Financial Statements	The Audited Consolidated Financial Statements of the Company comprising of Audited Consolidated Financial Statements for the Financial Year ending March 31, 2024, Audited Consolidated Financial Statements for the Financial Year ending March 31, 2023 and Audited Consolidated Financial Statements for the Financial Year ending March 31, 2022.
Audited Consolidated Financial Statements for Fiscal 2024	Audited Financial Statements of the Company comprising of the balance sheet of the Company as of March 31, 2024, the statement of profit and loss account for the year then ended, the cash flows statement for the year then ended, and a summary of the significant accounting policies and other explanatory information for the year ended March 31, 2024 prepared by the Company in accordance with Ind AS, as specified under section 133 of the Companies Act, 2013.
Audited Consolidated Financial Statements for Fiscal 2023	Audited Financial Statements of the Company comprising of the balance sheet of the Company as of March 31, 2023, the statement of profit and loss account for the year then ended, the cash flows statement for the year then ended, and a summary of the significant accounting policies and other explanatory information for the year ended March 31, 2023 prepared by the Company in accordance with Ind AS, as specified under section 133 of the Companies Act, 2013.
Audited Consolidated Financial Statements for Fiscal 2022	Audited Financial Statements of the Company comprising of the balance sheet of the Company as of March 31, 2022, the statement of profit and loss account for the year then ended, the cash flows statement for the year then ended, and a summary of the significant accounting policies and other explanatory information for the year ended March 31, 2022 prepared by the Company in accordance with Ind AS, as specified under section 133 of the Companies Act, 2013.
Audited Financial Statements	Audited Standalone Financial Statements and Audited Consolidated Financial Statements
Audited Standalone Financial Statements	The Audited Standalone Financial Statements of the Company comprising of Audited Standalone Financial Statements for the Financial Year ending March 31, 2024, Audited Standalone Financial Statements for the Financial Year ending March 31, 2023 and Audited Standalone Financial Statements for the Financial Year ending March 31, 2022.
Audited Standalone Financial Statements for Fiscal 2024.	Audited Financial Statements of the Company comprising of the balance sheet of the Company as of March 31, 2024, the statement of profit and loss account for the year then ended, the cash flows statement for the year then ended, and a summary of the significant accounting policies and other explanatory information for the year ended March 31, 2024 prepared by the Company in accordance with Ind AS, as specified under section 133 of the Companies Act, 2013.
Audited Standalone Financial Statements for	Audited Financial Statements of the Company comprising of the balance sheet of the Company as of March 31, 2023, the statement of profit and loss account for the year then

Term	Description
Fiscal 2023.	ended, the cash flows statement for the year then ended, and a summary of the significant accounting policies and other explanatory information for the year ended March 31, 2023 prepared by the Company in accordance with Ind AS, as specified under section 133 of the Companies Act, 2013.
Audited Standalone Financial Statements for Fiscal 2022	Audited Financial Statements of the Company comprising of the balance sheet of the Company as of March 31, 2022, the statement of profit and loss account for the year then ended, the cash flows statement for the year then ended, and a summary of the significant accounting policies and other explanatory information for the year ended March 31, 2022 prepared by the Company in accordance with Ind AS, as specified under section 133 of the Companies Act, 2013.
Board/ Board of Directors	Board of directors of our Company or any duly constituted committee thereof
Company Secretary	The company secretary of our Company, i.e. Sachu Sivas
Compliance Officer	The compliance officer of our Company appointed in relation to this Issue, i.e. Sachu Sivas
Corporate Office	The corporate office of our Company, situated at Muthoot Centre, Near Spencer Junction, Trivandrum – 695 039, Kerala
CRISIL Report	The report named 'Industry Report on Gold Loans – July 2024' provided by CRISIL
DIN	Director Identification Number
Equity Shares	Equity shares of face value of ₹10 each of our Company
Gross Total Loan Assets	Gross value of loan assets before interest accrued on loans, provision for impairment and unamortised processing fee.
Group Companies	The following entities have been identified as the Group Companies in accordance with Section 2(r) of the SEBI NCS Regulations. a. Muthoot Microfin Limited b. Muthoot Housing Finance Company Limited c. Muthoot Pappachan Technologies Limited d. MPG Hotels and Infrastructure Ventures Private Limited e. Muthoot Automotive (India) Private Limited f. Muthoot Automobile Solutions Private Limited g. Muthoot Capital Services Limited h. Muthoot Motors Private Limited i. Muthoot Risk Insurance and Broking Services Private Limited j. Muthoot Pappachan Chits (India) Private Limited k. Muthoot Exim Private Limited l. Muthoot Kuries Private Limited m. MPG Security Group Private Limited n. Muthoot Estate Investments o. Muthoot Motors (Cochin) p. Muthoot Pappachan Foundation q. M-Liga Sports Excellence Private Limited r. Thinking Machine Media Private Limited s. Muthoot Hotels Private Limited t. Speckle Internet Solutions Private Limited u. Muthoot Pappachan Centre of Excellence in Sports
KMP/ Key Managerial Personnel	The key managerial personnel of our Company in accordance with the provisions of the Companies Act, 2013. For details, see "*Our Management*" on page 139
Loan Assets	Assets under financing activities
Memorandum/ MoA/ Memorandum of Association	Memorandum of association of our Company, as amended from time to time
MML	Muthoot Microfin Limited
MPCIPL	Muthoot Pappachan Chits (India) Limited
MPG Hotels / MPG	MPG Hotels & Infrastructure Ventures Private Limited
MPTL	Muthoot Pappachan Technologies Limited
Muthoot Pappachan Group	Founded by Late Mathew M Thomas in 1979, the Muthoot Pappachan Group is involved in Financial Services, Hospitality, Automotive, Realty, IT Services, Precious Metals, Global Services and Alternate Energy. The Group is currently managed by Thomas John Muthoot, Thomas George Muthoot and Thomas Muthoot

Term	Description
NBFC	Non-banking financial company as defined under Section 45-IA of the RBI Act, 1934
Promoters	Thomas John Muthoot, Thomas George Muthoot and Thomas Muthoot
RoC	Registrar of Companies, Kerala and Lakshadweep
Registered Office	The registered office of our Company is situated at Muthoot Centre, TC No 27/3022 Punnen Road, Trivandrum 695 001, Kerala
Risk Management Committee	The committee of the Board of Directors of the Company constituted for the purposes of, inter alia, to assist the Board in the execution of its risk management accountabilities. For further details, see "*Our Management*" on page 139.
Stage 3 Loan Assets	Stage 3 Loan Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under Ind AS
Stage 3 ECL Provision	Provision created for impairment of loan assets categorized as a Stage 3 Loan Asset
Stock Allotment Committee	The Stock Allotment Committee of the Board of Directors of the Company constituted for the purposes of, inter alia, issuance of debentures of the Company.
Unaudited Standalone Financial Results	The unaudited standalone financial information of the Company for the quarter ended June 30, 2024, prepared by our Company in the manner and format required by the SEBI Listing Regulations.

Issue related terms

Term	Description
Abridged Prospectus	A memorandum accompanying the application form for a public issue containing such salient features of the Shelf Prospectus and relevant Tranche Prospectus as specified by SEBI.
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form
Allotment Advice	The communication sent to the Allottees conveying the details of NCDs allotted to the Allottees in accordance with the Basis of Allotment
Allot/Allotment/Allotted	The issue and allotment of the NCDs to successful Applicants pursuant to the Issue
Allottee	The successful Applicant to whom the NCDs are being/have been Allotted pursuant to the Issue
Applicant/Investor	Any person who applies for issuance and Allotment of NCDs through ASBA process or through UPI Mechanism pursuant to the terms of the Draft Shelf Prospectus, this Shelf Prospectus and relevant Tranche Prospectus, the Abridged Prospectus, and the Application Form for any Tranche Issue.
Application/ ASBA Application	An application (whether physical or electronic) to subscribe to the NCDs offered pursuant to the Issue by submission of a valid Application Form and authorising an SCSB to block the Application Amount in the ASBA Account or to block the Application Amount using the UPI Mechanism, where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by retail investors for an Application Amount of upto UPI Application Limit which will be considered as the application for Allotment in terms of the Draft Shelf Prospectus, this Shelf Prospectus and the relevant Tranche Prospectus.
Application Amount	The aggregate value of NCDs applied for, as indicated in the Application Form for the Issue
Application Form/ ASBA Form	Form in terms of which an Applicant shall make an offer to subscribe to NCDs through the ASBA process or through the UPI Mechanism and which will be considered as the Application for Allotment of NCDs in terms of the Shelf Prospectus and the relevant Tranche Prospectus.
Application Supported by Blocked Amount/ ASBA	The Application (whether physical or electronic) used by an ASBA Applicant to make an Application by authorizing the SCSB to block the Application Amount in the specified bank account maintained with such SCSB.
ASBA Account	A bank account maintained with an SCSB by an Applicant, as specified in the Application Form submitted by the Applicant for blocking the Application Amount mentioned in the relevant ASBA Form and includes a bank account maintained by a UPI Investor linked to a UPI ID, which is blocked upon acceptance of a UPI Mandate Request made by the UPI Investor using the UPI Mechanism.
ASBA Applicant	Any Applicant who applies for NCDs through the ASBA process
Base Issue	*As specified in the relevant Tranche Prospectus for each Tranche Issue.*

Term	Description
Basis of Allotment	The basis on which NCDs will be allotted to theApplicants, as specified in the relevant Tranche Prospectus for each Tranche Issue.
Banker(s) to the Issue	Collectively, the Public Issue Account Bank, Sponsor Bank and the Refund Bank.
Broker Centres	Broker centres notified by the Stock Exchange, where Applicants can submit the Application Forms (including ASBA Forms under UPI in case of UPI Investors) to a Trading Member. The details of such broker centres, along with the names and contact details of the Trading Members are available on the website of the Stock Exchange and updated from time to time
Business Days	All days excluding Saturdays, Sundays or a public holiday in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881
Category I – Institutional Investors	• Public financial institutions, scheduled commercial banks, and Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs; • Provident funds with minimum corpus of ₹2,500 lakhs, and pension funds with minimum corpus of ₹2,500 lakhs registered with the Pension Find Regulatory and Development Authority, which are authorised to invest in the NCDs; • Alternative Investment Funds subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended; • Resident Venture Capital Funds registered with SEBI; • Insurance Companies registered with IRDA; • State industrial development corporations; • Insurance funds set up and managed by the army, navy, or air force of the Union of India; • Insurance funds set up and managed by the Department of Posts, India; • Systemically important non-banking financial companies registered with RBI; • National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and • Mutual funds registered with SEBI.
Category II (Non-Institutional Investors)	• Companies within the meaning of Section 2(20) of the Companies Act, 2013; statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs; • Co-operative banks and regional rural banks; • Trusts including public/private charitable/religious trusts which are authorised to invest in the NCDs; • Educational institutions and associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment, which are authorised to invest in the NCDs; • Scientific and/or industrial research organisations, which are authorised to invest in the NCDs; • Partnership firms in the name of the partners; Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009). • Association of Persons; and • Any other incorporated and/ or unincorporated body of persons
Category III (High Net Worth Individual Investors)	Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10,00,000 across all options of NCDs in the Issue.
Category IV (Retail Individual Investors)	Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 10,00,000 across all options of NCDs in the Issue and shall include Retail Individual Investors, who have submitted bid for an amount not more than ₹ 500,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and does not include NRIs) though UPI Mechanism.
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account
Consortium/ Members of the Consortium	The Lead Manager and Consortium Members

Term	Description
(each individually, a Member of the Consortium)	
Consortium Agreement / Lead Broker Agreement	As specified under the respective Tranche Prospectus
Consortium Members / Lead Brokers	As specified under the respective Tranche Prospectus
Collection Centres	Centres at which the Designated Intermediaries shall accept the Application Forms, being the Designated Branch for SCSBs, Specified Locations for the Syndicate, Broker Centres for registered brokers, Designated RTA Locations for CRTAs and Designated CDP Locations for CDPs
Collecting Depository Participants/ CDPs	A depository participant, as defined under the Depositories Act, 1996 and registered under the SEBI Act and who is eligible to procure Applications at the Designated CDP Locations in terms of the SEBI Master Circular
Collecting Registrar and Share Transfer Agents/ CRTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of the SEBI Master Circular
Credit Rating Agency	For the present Issue, the credit rating agency being CRISIL
Coupon Rate / Interest Rate	The aggregate rate of interest payable in connection with the NCDs in accordance with the relevant Tranche Prospectus. For further details, see "*Issue Structure*" on page 274.
Debenture Holder (s) / NCD Holder(s)	The holders of the NCDs whose name appears in the database of the Depository and/or the register of NCD Holders (if any) maintained by our Company if required under applicable law
Debenture Trust Deed	The trust deed to be entered between the Debenture Trustee and our Company which shall be executed in relation to the NCDs within the time limit prescribed by applicable statutory and/or regulatory requirements, including creation of appropriate security, in favour of the Debenture Trustee for the NCD Holders on the assets adequate to ensure 1x times security cover for the NCDs for the principal amount outstanding under the NCDs and the interest due thereon issued pursuant to the Issue.
Debenture Trusteeship Agreement	Debenture Trusteeship Agreement dated July 1, 2024 entered into between our Company and the Debenture Trustee
Debentures/ NCDs	Secured, Redeemable, Non-Convertible Debentures of face value ₹ 1,000 each proposed to be issued under this Issue.
Deemed Date of Allotment	The date on which the Board of Directors or the Stock Allotment Committee authorised by the Board approves the Allotment of the NCDs for the Issue or such date as may be determined by the Board of Directors or the Stock Allotment Committee and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue in the relevant Tranche Prospectus) shall be available to the Debenture Holders from the Deemed Date of Allotment.
Demographic Details	The demographic details of an Applicant such as his address, bank account details, category, PAN, UPI ID, etc.
Depositories Act	The Depositories Act, 1996
Depository(ies)	National Securities Depository Limited and/or Central Depository Services (India) Limited
Designated Branches	Such branches of the SCSBs which shall collect the Application Forms used by the ASBA Applicants and a list of which is available at https://www.sebi.gov.in or at such other web-link as may be prescribed by SEBI from time to time
Designated CDP Locations	Such centres of the Collecting Depository Participants where Applicants can submit the Application Forms. The details of such Designated CDP Locations, along with the names and contact details of the CDPs are available on the website of the Stock Exchange and updated from time to time
Designated Date	The date on which the Registrar to the Issue issues instructions for the transfer of funds blocked by the SCSBs from the ASBA Accounts to the Public Issue Account and/or the Refund Account, as appropriate, after finalisation of the Basis of Allotment, in terms of

Term	Description
	the Draft Shelf Prospectus, this Shelf Prospectus and relevant Tranche Prospectus following which the NCDs will be Allotted in the relevant Tranche Issue.
Designated Intermediaries	The Members of the Syndicate, SCSBs, Registered Stock Brokers, Trading Members, RTAs and CDPs who are authorized to collect Application Forms from the Applicants, in relation to the Issue. In relation to ASBA applicants authorising an SCSB to block the amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA applicants submitted by Retail Individual Investors where the amount will be blocked upon acceptance of UPI Mandate Request using the UPI Mechanism, Designated Intermediaries shall mean the CDPs, RTAs, Lead Manager, Members of the Consortium, Trading Members and Stock Exchange where applications have been submitted through the app/web interface as provided in the UPI Mechanism Circular.
Designated Stock Exchange/ Stock Exchange/ Exchange/ DSE	BSE Limited
Draft Shelf Prospectus	The Draft Shelf Prospectus dated August 8, 2024, filed with the Stock Exchange for receiving public comments in accordance the Regulation 6 (2) of the SEBI NCS Regulations and to SEBI for record purpose
Designated RTA Locations	Such centres of the RTAs where Applicants can submit the Application Forms (including Application Forms by UPI Investors under the UPI Mechanism). The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the website of the Stock Exchange and updated from time to time
DP/Depository Participant	A depository participant as defined under the Depositories Act
Direct Online Application	The application made using an online interface enabling direct application by Investors to a public issue of their debt securities with an online payment facility through a categorize stock exchange. This facility is available only for demat account holders who wish to hold the NCDs pursuant to the Issue in categorized form. Please note that the Applicants will not have the option to apply for NCDs under the Issue, through the direct online applications mechanism of the Stock Exchange
Fugitive Economic Offender	Fugitive economic offender means an individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
Interest Payment Date / Coupon Payment Date	*As specified in the relevant Tranche Prospectus*
Issue	Public issue by our Company of NCDs for an amount aggregating up to ₹ 2,00,000 lakhs, pursuant to the Draft Shelf Prospectus, this Shelf Prospectus and the relevant Tranche Prospectus. The NCDs will be issued in one or more tranches up to the Shelf Limit, on terms and conditions including Tranche issue size as set out in the relevant Tranche Prospectus for any tranche issue which should be read together with the Draft Shelf Prospectus and this Shelf Prospectus. The Issue is being made pursuant to the provisions of SEBI NCS Regulations, the Companies Act, 2013 and rules made thereunder as amended to the extent notified and the SEBI Master Circular.on the terms and in the manner set forth herein.
Issue Agreement	The Issue Agreement dated August 8, 2024, entered between the Company and the Lead Manager.
Issue Closing Date	*As provided in the relevant Tranche Prospectus.*
Issue Opening Date	*As provided in the relevant Tranche Prospectus.*
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days during which prospective Applicants may submit their Application Forms.
Issue Size	*As provided in the relevant Tranche Prospectus*
Lead Manager/LM	Nuvama Wealth Management Limited
Listing Agreement	The uniform listing agreement entered into between our Company and the Stock Exchanges in connection with the listing of debt securities of our Company
Market Lot	1 (one) NCD
Maturity Amount	*As specified in the relevant Tranche Prospectus*
Mobile App(s)	The mobile applications listed on the website of Stock Exchange as may be updated from

Term	Description
	time to time, which may be used by RIBs to submit Bids using the UPI Mechanism.
NCDs	Secured redeemable non-convertible debentures of face value of ₹1,000 each
NCD Holder/Debenture Holder	Any debenture holder who holds the NCDs issued pursuant to this Issue and whose name appears on the beneficial owners list provided by the Depositories
Public Issue Account	Account(s) opened with the Public Issue Account Bank to receive monies from the ASBA Accounts maintained with the SCSBs (including under the UPI Mechanism) on the Designated Date
Public Issue Account Bank	Banks which are clearing members and registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, with whom the Public Issue Account will be opened, as will be specified in the relevant Tranche Prospectus.
Offer Document(s)	The Draft Shelf Prospectus, this Shelf Prospectus, the relevant Tranche Prospectus, the Abridged Prospectus and/or the Application Form along with supplemental information, if any.
Public Issue Account and Sponsor Bank Agreement	Agreement to be entered into amongst our Company, the Registrar to the Issue, the Public Issue Account Bank, the Refund Bank and the Sponsor Bank and the Lead Manager for the appointment of the Sponsor Bank in accordance with the UPI Mechanism Circular and for collection of the Application Amounts from ASBA Accounts under the UPI mechanism from the Applicants on the terms and conditions thereof and where applicable, refund of the amounts collected from the applicants, as specified for relevant Tranche Prospectus.
Record Date	The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 days (as specified in respective Tranche Prospectus) prior to the date on which interest is due and payable, and/or the date of redemption. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchange, as the case may be In case Record Date falls on a day when Stock Exchange is having a trading holiday, the immediate subsequent trading day will be deemed as the Record Date
Recovery Expense Fund	An amount which has been deposited by the Issuer with the Designated Stock Exchange, equal to 0.01% of the issue size, subject to a maximum of deposit of ₹25,00,000 at the time of making the application for listing of NCDs.
Redemption Amount	As specified in the relevant Tranche Prospectus
“Redemption Date” or “Maturity Date”	The date on which our Company is liable to redeem the NCDs in full as specified in the relevant Tranche Prospectus
Refund Account	Account to be opened with the Refund Bank from which refunds, if any, of the whole or any part of the Application Amount shall be made.
Refund Bank	The Banker(s) to the Issue with whom the Refund Account will be opened and as specified in the relevant Tranche Prospectus.
Registrar to the Issue/ Registrar	Integrated Registry Management Services Private Limited
Registrar Agreement	Agreement dated July 1, 2024, entered into between the Issuer and the Registrar under the terms of which the Registrar has agreed to act as the Registrar to the Issue.
Register of NCD Holders	The statutory register in connection with any NCDs which are held in physical form on account of rematerialisation, containing name and prescribed details of the relevant NCD Holders, which will be prepared and maintained by our Company/Registrar in terms of the applicable provisions of the Companies Act
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers) Regulation, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate and eligible to procure Applications from Applicants.
RTAs/ Registrar and Share Transfer Agents	The registrar and share transfer agents registered with SEBI and eligible to procure Application in the Issue at the Designated RTA Locations
SCSBs or Self Certified Syndicate Banks	The banks registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 offering services in relation to ASBA, including blocking of an ASBA Account, and a list of which is available on https://www.sebi.gov.in or at such other web-link as may be prescribed by SEBI from time to time.

Term	Description
	Additionally, the banks registered with SEBI, enabled for UPI Mechanism, list of which is available on https://www.sebi.gov.in or at such other web-link as may be prescribed by SEBI from time to time. A list of the branches of the SCSBs where ASBA Applications submitted to the Lead Manager, Members of the Syndicate or the Trading Member(s) of the Stock Exchange, will be forwarded by such Lead Manager, Members of the Syndicate or the Trading Members of the Stock Exchange is available at https://www.sebi.gov.in or at such other web-link as may be prescribed by SEBI from time to time
SEBI Debenture Trustee Master Circular	SEBI circular with reference number SEBI/HO/DDHS-PoD3/P/CIR/2024/46 dated May 16, 2024 as may be amended from time to time.
Security	The principal amount of the Secured NCDs to be issued in terms of this Shelf Prospectus together with all interest due on the NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of subservient charge with existing secured creditors on loan receivables and current assets (both present and future) of the company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders, as may be applicable.
"Senior Management Personnel" or "SMP"	Senior Management Personnel of our Company in accordance with definition of Senior Management in Regulation 2 (iia) of the SEBI NCS Regulations, as described in "*Our Management*" on page 139
Shelf Limit	The aggegate limit of the Issue, being ₹ 2,00,000 lakhs to be issued under the Draft Shelf Prospectus, this Shelf Prospectus and relevant Tranche Prospectus(es) through one or more Tranche Issues.
Shelf Prospectus	The Shelf Prospectus to be filled by our Company with the SEBI, BSE and the RoC in accordance with the provisions of the Companies Act, 2013 and the SEBI NCS Regulations.
Specified Locations	Collection centres where the Members of the Syndicate shall accept Application Forms, a list of which is included in the Application Form
Sponsor Bank	A Banker to the Issue, registered with SEBI, which is appointed by the Issuer to act as a conduit between the Designated Stock Exchange and NPCI in order to push the mandate collect requests and / or payment instructions of the retail individual investors into the UPI for retail individual investors applying through the app/web interface of the Stock Exchange with a facility to block funds through UPI Mechanism for application value upto UPI Application Limit and carry out any other responsibilities in terms of the UPI Mechanism Circular and as specified in the relevant Tranche Prospectus.
Stock Exchange	BSE Limited
Syndicate ASBA	Applications through the Syndicate or the Designated Intermediaries
Syndicate SCSB Branches	In relation to ASBA Applications submitted to a Member of the Syndicate, such branches of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the members of the Syndicate, and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Syndicate ASBA Application Locations	Collection centers where the Designated Intermediaries shall accept Application Forms from Applicants, a list of which is available on the website of SEBI at https://www.sebi.gov.in and at such other websites as may be prescribed by SEBI from time to time
Tranche Issue	Issue of the NCDs pursuant to the relevant Tranche Prospectus.
Tenor	Tenor shall mean the tenor of the NCDs as specified in relevant Tranche Prospectus for each Option/Series under Tranche Issue.
Trading Member(s)	Intermediaries registered with a Consortium Member or a sub-broker under the SEBI (Stock Brokers) Regulations, 1992 and/or with the Stock Exchange under the applicable byelaws, rules, regulations, guidelines, circulars issued by Stock Exchange from time to time and duly registered with the Stock Exchange for collection and electronic upload of Application Forms on the electronic application platform provided by Stock Exchange.
Tranche Prospectus(es)	The Tranche Prospectus(es) containing the details of NCDs including interest, other terms and conditions, recent developments, general information, objects, procedure for application, statement of possible tax benefits, regulatory and statutory disclosures and

Term	Description
	material contracts and documents for inspection, in respect of the relevant Tranche Issue.
Transaction Registration Slip/TRS	The acknowledgement slip or document issued by any of the Members of the Syndicate, the SCSBs, or the Trading Members as the case may be, to an Applicant upon demand as proof of upload of the Application on the application platform of the Stock Exchange
Tripartite Agreement(s)	Agreements as entered into between the Issuer, Registrar and each of the Depositories under the terms of which the Depositories shall act as depositories for the securities issued by our Company
Trustee/Debenture Trustee	Trustee for the holders of the NCDs, in this case being Vardhman Trusteeship Private Limited
"UPI" or "UPI Mechanism"	Unified Payments Interface mechanism in accordance with SEBI NCS Master Circular to block funds for application value up to ₹ 500,000 submitted through intermediaries, namely the Registered Stockbrokers, Consortium Members, Registrar and Transfer Agent and Depository Participants.
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the NPCI
UPI Investor	An Applicant who applies with a UPI number whose Application Amount for NCDs in the Issue is upto ₹ 5,00,000 or as may be prescribed under SEBI Master Circular
UPI Mandate Request	A request (intimating the UPI Investors, by way of a notification on the UPI application and by way of an SMS directing the UPI Investors to such UPI application) to the UPI Investors using the UPI Mechanism initiated by the Sponsor Bank to authorise blocking of funds equivalent to the Application Amount in the relevant ASBA Account through the UPI, and the subsequent debit of funds in case of Allotment
UPI Mechanism	The optional bidding mechanism that may be used by UPI Investors to make Applications in the Issue, in accordance with SEBI Master Circular and any other circulars issued by SEBI or any other governmental authority in relation thereto from time to time
UPI PIN	Password to authenticate UPI transaction
Wilful Defaulter	A person who is categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI and includes an issuer whose director or promoter is categorized as such
Working Days	All days excluding Sundays or a holiday of commercial banks in Mumbai and/or Cochin, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post issue period, i.e. period beginning from the Issue Closing Date to listing of the NCDs on the Stock Exchange, Working Day shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays in Mumbai, as per the SEBI NCS Regulations, however, with reference to payment of interest/redemption amount of NCDs, Working Days shall mean those days wherein the money market is functioning in Mumbai

Technical & Industry Terms

Term	Description
ALM	Asset Liability Management
ALCO	Asset Liability Committee
AUM	Asset Under Management
CIN	Corporate Identification Number
CRAR	Capital-To-Risk-Weighted Assets Ratio
DPN	Demand Promissory Note
EMI	Equated Monthly Instalments
FIR	First Information Report
IMF	International Monetary Fund
IND AS	Indian Accounting Standards as prescribed by Section 133 of the Companies Act, 2013 and notified by the Ind AS Rules
Ind AS Rules	Indian Accounting standards as prescribed by Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2015 as amended from time to time
KYC/KYC Norms	Customer identification procedure for opening of accounts and monitoring transactions of suspicious nature followed by NBFCs for the purpose of reporting it to appropriate

Term	Description
	authority
Gross NPAs/GNPAs	Aggregate of receivable from financing business considered as non-performing assets (secured and unsecured which has been shown as part of short term loans and advances and long term loans and advances) and non performing quoted and unquoted credit substitute forming part of stock in trade Gross NPA is also referred to as GNPAs
Loan Book	Outstanding loans
LTV	Loan to value
MSME	Micro, small, and medium enterprises
NAV	Net Asset Value
NBFC	Non-Banking Financial Company as defined under Section 45-IA of the RBI Act, 1934
NPA	Non-performing asset
NPCI	National Payments Corporation of India
Net NPAs	Gross NPAs less provisions for NPAs
RTA Master Circular	Securities and Exchange Board of India Master Circular for Registrars to an Issue and Share Transfer Agents' dated May 7, 2024, bearing reference number SEBI/HO/MIRSD/POD-1/P/CIR/2024/37.
SBR Framework	Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023, as amended from time to time
SME	Small and medium enterprises
Tier I Capital/ Tier I	Tier I capital means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund; and perpetual debt instruments issued by a non-deposit taking non-banking financial company in each year to the extent it does not exceed 15% of the aggregate Tier I Capital of such company as on March 31 of the previous accounting year. NBFCs-BL are not eligible to include perpetual debt instruments in their Tier I capital.
Tier II Capital/ Tier II	Tier II capital includes the following: (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of fifty five percent; (c) General Provisions (including that for Standard Assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets; (d) hybrid debt capital instruments; (e) subordinated debt; (f) perpetual debt instruments issued by a non-deposit taking non-banking financial company which is in excess of what qualifies for Tier I Capital to the extent the aggregate does not exceed Tier I Capital (g) NBFCs-BL are not eligible to include perpetual debt instruments in their Tier 2 capital.
UPI	Unified Payments Interface, a payment mechanism that allows instant transfer of money between any two persons bank account using a payment address which uniquely identifies a person's bank account
WGC	World Gold Council

Conventional and General Terms or Abbreviations

Term	Description
AGM	Annual general meeting
AS or Accounting Standards	Accounting Standards as prescribed by Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended from time to time
ASBA	Application supported by blocked amounts
BSE	BSE Limited

Term	Description
CAGR	Compounded annual growth rate
CDSL	Central Depository Services (India) Limited
CGST Act	Central Goods and Services Tax Act, 2017
Cr.P.C	Code of Criminal Procedure, 1973
Companies Act, 1956	The Companies Act, 1956 to the extent in force, repealed as of January 30, 2019
Companies Act/ Companies Act 2013	The Companies Act, 2013 read with rules framed by the Government of India from time to time
CRISIL	CRISIL Ratings Limited
DIN	Director identification number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India earlier known as Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
DTH	Direct to home
DRR	Debenture redemption reserve
EGM	Extraordinary general meeting
EPS	Earnings per share
FDI Policy	FDI in an Indian company is governed by the provisions of the FEMA and the Foreign Direct Investment Policy
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time
FII	Foreign Institutional Investor(s)
FPI	Foreign Institutional Investors defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 registered with SEBI and as repealed by Foreign Portfolio Investors defined under the SEBI (Foreign Portfolio Investors) Regulations, 2019
Financial Year/FY/Fiscal	Financial year ending March 31
GDP	Gross domestic product
GoI	Government of India
G-Sec	Government securities
GST	Goods and services tax
HNI	High Net worth Individual
HUF	Hindu undivided family
ICAI	Institute of Chartered Accountants of India
IRDAI	Insurance Regulatory and Development Authority of India
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Indian GAAP/ IGAAP	Accounting Standards as per the Companies (Accounting standards) Rules, 2006 notified under Section 133 of the Act and other relevant provisions of the Act.
IGST Act	Integrated Goods and Services Tax Act, 2017
Indian GAAP	Generally Accepted Accounting Principles in India
Insurance Act	The Insurance Act, 1938
IT Act	The Income Tax Act, 1961
IT	Information technology
ISD	International subscriber dialing
KYC	Know Your Customer
MCA	Ministry of Corporate Affairs, Government of India
MICR	Magnetic ink character recognition
MIS	Management information system
MoU	Memorandum of understanding
NA	Not applicable
NACH	National Automated Clearing House
NCDs	Non-Convertible Debentures
NEFT	National Electronic Funds Transfer
NII(s)	Non-institutional investor(s)
NIM	Net interest margin
NRI	Non-resident Indian
NSDL	National Securities Depository Limited

Term	Description
p.a.	Per annum
PAN	Permanent account number
PDI	Perpetual debt instrument
Profit after Tax (PAT)	Profit for the year
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
RM	Relationship manager
RTGS	Real time gross settlement
SARFAESI Act	Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002, as amended, modified or supplemented, from time to time
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
SEBI Merchant Banker Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI NCS Regulations/ Debt Regulations/ SEBI Regulations	Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended
SEBI Delisting Regulations	SEBI (Delisting of Equity Shares) Regulations, 2021, as amended
SEBI Listing Regulations/ Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Master Circular	SEBI circular no. SEBI/HO/DDHS/PoD1/P/CIR/2024/54 dated May 22, 2024, as may be amended from time to time
SGST Act	State Goods and Services Tax Act, 2017, as enacted by various state governments
STD	Subscriber trunk dialing
TDS	Tax deducted at source
VOIP	Voice over internet protocol
WDM	Wholesale debt market

Notwithstanding anything contained herein, capitalised terms that have been defined in "*Regulations and Policies*", "*History and Certain Corporate Matters*", "*Our Management*", "*Financial Indebtedness*" and "*Outstanding Litigations and Defaults*" on pages 236, 130, 139, 164 and 215 will have the meaning ascribed to them in such sections.

CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATON

Certain Conventions

All references in this Shelf Prospectus to "India" are to the Republic of India and its territories and possessions.

Unless stated otherwise, all references to page numbers in this Shelf Prospectus are to the page numbers of this Shelf Prospectus.

Presentation of Financial Statements

Our Company's financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular financial year or fiscal are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. Unless the context requires otherwise, all references to a year in this Shelf Prospectus are to a calendar year and references to a Fiscal/Fiscal Year/ FY are to the year ended on March 31, of that calendar year.

The Audited Standalone Financial Statements and the Audited Consolidated Financial Statements and the respective reports on the audited financial statements, as issued by our Company's Joint Statutory Auditors, M/s Krishnan Retna & Associates and M/s. Rangamani & Co, for Fiscal 2024, Fiscal 2023 and Fiscal 2022 are included in this Shelf Prospectus in "*Financial Statements*" beginning at page 161.

The Unaudited Standalone Financial Results of our Company have been prepared in accordance with recognition and measurement principles laid down in Ind AS 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued there-under and other accounting principles generally accepted in India and Regulation 52 of the SEBI Listing Regulations. The limited review report on the Unaudited Standalone Financial Results has been issued by M/s. Krishnan Retna & Associates and M/s. Rangamani & Co, Chartered Accountants. Our Company's Unaudited Standalone Financial Results for the quarter ended June 30, 2024, are included in this Shelf Prospectus and are referred to hereinafter as "*Unaudited Standalone Financial Results*". For further details refer section titled "*Financial Statements*" beginning at page 161. Further, the Unaudited Standalone Financial Results for the quarter ended June 30, 2024, are not indicative of and comparable with the full year results.

Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding off.

Unless stated otherwise, macroeconomic and industry data used throughout this Shelf Prospectus has been obtained from publications prepared by providers of industry information, government sources and multilateral institutions. Such publications generally state that the information contained therein has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although the Issuer believes that industry data used in this Shelf Prospectus is reliable, it has not been independently verified. Further, the extent to which the market and industry data presented in this Shelf Prospectus is meaningful depends on the readers' familiarity with and understanding of methodologies used in compiling such data.

The extent to which the market and industry data used in this Shelf Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. The methodologies and assumptions may vary widely among different industry sources. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. We have relied on the CRISIL Report on 'Industry Report on Gold Loans – July 2024' for industry related data that has been disclosed in this Shelf Prospectus. Accordingly, no investment decision should be made solely on the basis of such information.

While we have compiled, extracted and reproduced data from external sources, including third parties, trade, industry or general publications, we accept responsibility for accurately reproducing such data. However, neither we nor the Lead Manager has independently verified this data and neither we nor the Lead Manager make any representation regarding the accuracy of such data. Similarly, while we believe our internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither we nor the Lead Manager can assure potential investors as to their accuracy.

Financial Data

Except where stated otherwise in this Shelf Prospectus, all figures have been expressed in 'lakhs'. All references to 'lakhs/

lakhs/ lacs/ lac' refer to one lakh, which is equivalent to 'one hundred thousand' and 'crore' means 'hundred lakhs'.

Unless stated otherwise or unless the context requires otherwise, the financial data as at and for the year ended March 31, 2024, March 31, 2023 and March 31, 2022 used in this Shelf Prospectus is derived from our Audited Consolidated Financial Statements and Audited Standalone Financial Staements, as applicable. The financial data for the quarter quarter ended June 30, 2024 used in this Shelf Prospectus is derived from Unaudited Standalone Financial Results. Unless otherwise stated all figures pertaining to the financial statements in connection with the Company are on an unconsolidated basis.

Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding off**.**

Currency and Unit of Presentation

In this Shelf Prospectus, references to '₹', "Indian Rupees", "INR", "Rs." and 'Rupees' are to the legal currency of India. Except as stated expressly, for the purposes of this Shelf Prospectus, data will be given in ₹ in lakhs.

Certain figures contained in this Shelf Prospectus, including financial statements, have been subject to rounding adjustments. Unless set out otherwise, all figures in decimals, including percentage figures, have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Further, any figures sourced from third party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Industry and Market Data

Any industry and market data used in this Shelf Prospectus consists of estimates based on data reports compiled by government bodies, professional organizations and analysts, data from other external sources and knowledge of the markets in which the Company competes. These publications generally state that the information contained therein has been obtained from publicly available documents from various sources believed to be reliable, but it has not been independently verified by us or its accuracy and completeness is not guaranteed, and its reliability cannot be assured. Although the Company believes the industry and market data used in this Shelf Prospectus is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for purposes of presentation. Data from these sources may also not be comparable. The extent to which the industry and market data is presented in this Shelf Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the Company conducts its business, and methodologies and assumptions may vary widely among different market and industry sources.

Exchange Rates

The exchange rates for INR (₹) vis-à-vis of USD, as of June 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 are provided below:

Currency	June 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
1 USD	83.45	83.34	82.22	75.81

Source: https://www.fbil.org.in/#/home and https://www.rbi.org.in/scripts/ReferenceRateArchive.aspx

The above exchange rates are for the purpose of information only and may not represent the rates used by the Company for purpose of preparation or presentation of its financial statements. The rates presented are not a guarantee that any person could have on the relevant date converted any amounts at such rates or at all.

In case March 31/ June 30 of any of the respective years/ period is a public holiday, the previous working day not being a public holiday has been considered.

FORWARD LOOKING STATEMENTS

General Risk

Investment in non-convertible securities is risky and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the Issue including the risks involved in it.

Specific attention of investors is invited to statement of risk factors contained under section "*Risk Factors*" on page 19 and "*Material Developments*" on page 162 before making an investment in such Issue. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the debt securities or investor's decision to purchase such securities.

Certain statements contained in this Shelf Prospectus that are not statements of historical fact constitute "forward-looking statements". Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "may", "objective", "plan", "potential", "project", "pursue", "shall", "seek", "should", "will", "would", or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability, new business and other matters discussed in this Shelf Prospectus that are not historical facts. All statements contained in this Shelf Prospectus that are not statements of historical fact constitute "forward-looking statements" and are not forecasts or projections relating to our Company's financial performance.

All forward-looking statements are subject to risks, uncertainties and assumptions about the Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from the expectations of the Company include, among others:

- General economic and business conditions in India and globally;
- Ability to effectively manage our growth or successfully implement business plans and growth strategies;
- Ability to compete effectively and access funds at competitive costs;
- Ability to control or reduce the level of non-performing assets in our portfolio;
- Changes in the value of Rupee and other currency changes;
- Unanticipated turbulence in interest rates, gold prices, global bullion prices or other rates or prices;
- Availability of funds and willingness of the lenders of the Company to lend;
- Changes in political conditions in India;
- The rate of growth of the loan assets of the Company;
- The outcome of any legal or regulatory proceedings the Company is or may become a party to;
- Changes in Indian laws and regulations, including tax, accounting, banking, securities, insurance and other regulations; changes in competition and the pricing environment in India; and regional or general changes in asset valuations;
- Any changes in connection with policies, statutory provisions, regulations and/or RBI directions in connection with NBFCs, including laws that impact lending rates and the Companys' ability to enforce our collateral;
- Competition from existing as well as new competitors;
- Performance of the Indian debt and equity markets;
- Occurrence of natural calamities or natural disasters affecting the areas in which our Company has operations; and
- Other factors discussed in this Shelf Prospectus, including under the section titled "*Risk Factors*" on page 19.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in *"Our Business", "Risk Factors"* and *"Outstanding Litigations and Defaults"* on pages 111, 19 and 215, respectively. The forward-looking statements contained in this Shelf Prospectus are based on the beliefs of management, as well as the assumptions made by, and information currently available to management. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable as of the date of this Shelf Prospectus, our Company cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

Neither our Company, its Directors and its officers, nor any of their respective affiliates or associates, Lead Manager nor any of its Directors and its officers have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI NCS Regulations, our Company, the Lead Manager will ensure that investors in India are informed of material developments between the date of filing the Shelf Prospectus with the RoC and the date of the Allotment.

SECTION II : RISK FACTORS

The following are some of the important factors that could cause actual results to differ materially from the Company's expectations:

The following are the risks envisaged by the management of the Company relating to the Company, the secured NCDs and the market in general. Potential investors should carefully consider all the risk factors stated in this Disclosure Document in relation to the secured NCDs for evaluating the Company and its business and the secured NCDs before making any investment decision relating to the secured NCDs. The Company believes that the factors described below represents the principal risks inherent in investing in the secured NCDs but does not represent that the statements below regarding the risks of holding the secured NCDs are exhaustive. The ordering of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another. Potential investors should also read the detailed information set out elsewhere in this Shelf Prospectus and reach their own views prior to making any investment decision.

If any one of the following stated risks actually occurs, the Company's business, financial conditions and results of operations could suffer and, therefore, the value of the Company's secured NCDs could decline and/or the Company's ability to meet its obligations in respect of the secured NCDs could be affected. More than one risk factor may have simultaneous affect with regard to the secured NCDs such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect which may not be predictable. No prediction can be made as to the effect that any combination of risk factors may have on the value of the secured NCDs and/or the Company's ability to meet its obligations in respect of the secured NCDs.

These risks and uncertainties are not the only issues that the Company faces. Additional risks and uncertainties not presently known to the Company or that the Company currently believes to be immaterial may also have a material adverse effect on its financial condition or business. Unless specified or quantified in the relevant risk factors, the Company is not in a position to quantify the financial or other implications of any risk mentioned herein below.

INTERNAL RISK FACTORS

Risks relating to the Company and its Business

1. ***Scheduled commercial banks and payment banks have been directed not to open and maintain current accounts for customers who have availed credit facilities in the form of cash credit (CC)/overdraft (OD) from the banking system. Implementation of the aforesaid direction without providing alternate mechanism for financial institutions transacting with scheduled commercial banks and payment banks to withdraw and deposit cash may adversely affect our business, results of operations and financial condition.***

   RBI has by way of circular (RBI/2020-21/20 DOR No. BN.BC/7/21/04.048/2020-21) dated August 6, 2020 directed scheduled commercial banks and payment banks not to open or maintain current accounts for customers who have availed credit facilities in the form of cash credit ("**CC**")/ overdraft ("**OD**") from the banking system and all transactions are required to be routed through the CC/OD account. These changes were to be implemented within a period of three months from the date of the Circular i.e. by November 5, 2020, which period was subsequently extended to December 15, 2021. Aggrieved by the said Circular, our Company has filed a writ petition with the Kerala High Court *inter alia* praying that RBI should issue clarification on implementation and enforcement of the Circular in light of the representations made by our Company to RBI and State Bank of India and to State Bank of India to seek clarifications on the points urged in representations made to State Bank of India. Further, it has also been prayed that the implementation of Circular, in so far as our Company is concerned, should be kept pending the disposal of the writ petition. The said writ petition 22768 of 2020 is disposed of on April 9, 2021 wherein State Bank of India was directed to consider the matter and to arrive at a workable solution in 6 months, failing which, State Bank of India was directed to approach RBI. In the meantime, other banks (where we have current accounts for our branches) have issued communications to close such accounts in view of the RBI circular. Since banks, other than State Bank of India, were proceeding with closure of accounts inspite of the above order, we have filed another WP 14854 / 2021 ("**Writ Petition**") making all the banks party and seeking for the intervention of the court. The Hon'ble court was pleased to order status quo. The said Writ Petition is pending.

   In the meantime, RBI has *vide* its circular RBI/2021-22/116 DOR.CRE.REC.63/21.04.048/2021-22 dated October 29, 2021 has permitted to open and maintain current accounts. The circular, however, has put a condition that such current accounts can be opened only with one bank, which has more than 10% of banking exposure in the respective company. Pursuant to the RBI Circular, the Company has approached State Bank of India and initiated the process of opening such current accounts for its branches with State Bank of India. The timeline for complying with the said circular was November 29, 2021; resultantly, all banks other than State Bank of India are required to close the existing current accounts within such time. However, the Hon'ble Kerala High Court, in the pending Writ Petition filed by the Company, has extended the interim order thereby protecting the rights and interest of the Company.

Considering the large number of rural branches of the Company and non-availability of branches of State Bank of India near all such branches, there is a possibility that the smooth operation of some of the branches of the Company may be affected.

We cannot assure whether State Bank of India will be able to promptly service the requirements of our branches, thereby ensuring the smooth functioning of some of our branches, which may have a material effect on our business, results of operations and financial condition.

2. ***Our business requires substantial capital, and any disruption in funding sources would have a material adverse effect on our liquidity and financial condition.***

Our liquidity and ongoing profitability are, in large part, dependent upon our timely access to cost effective sources of funding. Our funding requirements historically have been met through a combination of borrowings such as working capital limits from banks, issuance of commercial paper, non-convertible debentures issuance through public issues and on private placement basis.

Our ability to raise funds, on acceptable terms and at competitive rates, continues to depend on various factors including our credit ratings, financial performance & growth prospects of our Company, the macro economic factors including regulatory environment and policy initiatives in India, developments in the international markets affecting the Indian economy, investors' and/or lenders' perception of demand for securities of NBFCs. Our business depends and will continue to depend on our ability to access diversified low-cost funding sources.

Recently, there has been a rise in borrowing cost and difficulty in accessing debt in a cost-effective manner. During FY 2019, Indian economy witnessed defaults of debt repayments by large NBFC players. Such events heightened the investor focus around the health of the broader NBFC sector as well as their sources of liquidity. This has led to crunch in liquidity available to certain NBFCs. Re-occurrence of similar events may affect the market sentiment towards NBFC sector and as a whole may affect the borrowing capability of our Company adversely.

According to RBI Master Circular on Bank Finance to Non-Banking Financial Companies, 2015, as amended, bank's exposure (both lending and investment, including off balance sheet) to a single NBFC which is predominantly engaged in lending against collateral of gold jewellery (i.e. such loans comprising 50% or more of their financial assets), cannot exceed 7.5% of banks' capital funds and have an internal sub-limit on their aggregate exposure to all NBFCs having gold loans to the extent of 50% or more of their total financial assets, taken together. This sub-limit is within the internal limit fixed by the banks for their aggregate exposure to all NBFCs put together. This limits the exposure that banks may have on NBFCs such as us, which may restrict our ability to borrow from such banks and may increase our cost of borrowing, which could adversely impact our growth, business and financial condition.

We also face significant maturities of our debt each year. Out of the total outstanding debt, the Company has, as on June 30, 2024, an amount of ₹ 4,37,404.33 lakhs will mature during the next 12 months other than the regular rollover and renewal credit facilities. In order to repay the short-term credit facilities, the company will need to refinance the debt. In the case of tight credit market, the company will face difficulty to renew the cash credit facilities and get sanction of new credit facilities to retire the short-term facilities.

3. ***Any instructions by RBI or other regulatory authority in India directing the Company to stop the use of its premises/ branches or officials for the operations of its Group entities could materially and adversely affect our business and impact our future financial performance.***

We have entered into various agreements with our Group entities for letting our Company's branches/premises or officials to be used for the business operations of our Group entities. In the event of any directions/circulars/notice being issued by RBI or other regulatory authority in India, restricting the usage of Company's branches/premises or officials for business operations of group entities, it may have an adverse effect on the business and financial conditions of the Company.

4. ***Our financial performance is particularly vulnerable to interest rate risk. If we fail to adequately manage our interest rate risk in the future it could have an adverse effect on our net interest margin, thereby adversely***

affecting our business and financial condition.

The results of our operations are substantially dependent upon the level of our net interest margins. Interest rates are sensitive to many factors beyond our control, including RBI's monetary policies, domestic and international economic and political conditions and other factors. Rise in inflation, and consequent changes in bank rates, repo rates and reverse repo rates by RBI has led to an increase in interest rates on loans provided by banks and financial institutions.

Income from our financing activities is the largest component of our total income and constituted 99.19%, 98.68%, 98.27%, and 98.65% of our total income on a standalone basis for the quarter ended June 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 respectively. Further, as of June 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 the total secured borrowings utilised by the Company aggregated to ₹ 18,86,230.63 lakhs, ₹ 18,17,629.76 lakhs, ₹ 15,54,458.77 lakhs and ₹ 15,32,946.05 lakhs respectively and unsecured borrowings utilised by our Company aggregated to ₹ 2,21,628.88 lakhs, ₹ 2,14,117.72 lakhs, ₹ 2,27,858.69 lakhs and ₹ 2,38,526.64 lakhs respectively.

We provide loan at a fixed rate of Interest while we borrow funds on both fixed and floating rates. Our borrowings, such as our secured non-convertible redeemable debentures, subordinated debt and term loans from financial institutions carry fixed rates of interest while the borrowings from banks are linked to the respective banks' MCLR rates. As June 30, 2024, 25% of our borrowings, respectively, were at fixed rates of interest, comprising primarily of our secured and unsecured (subordinated debt) non-convertible redeemable debentures. We cannot assure you that we will be able to adequately manage our interest rate risk in the future and be able to effectively balance the proportion of our fixed rate loan assets and fixed rate liabilities in the future. Thus, our results of operations could be affected by changes in interest rates and the timing of any re-pricing of our liabilities compared with the re-pricing of our assets.

We borrow funds on both fixed and floating rates. Volatility in interest rates can materially and adversely affect our financial performance. In a rising interest rate environment, if the yield on our interest-earning assets does not increase simultaneously with or to the same extent as our cost of funds, or, in a declining interest rate environment, if our cost of funds does not decline simultaneously or to the same extent as the yield on our interest-earning assets, our net interest income and net interest margin would be adversely impacted. Additional risks arising from increasing interest rates, among others, include:

- increases in the rates of interest charged on our loans and other secured/ unsecured loans, which could result in the extension of loan maturities and higher monthly installments due from borrowers which, in turn, could result in higher rates of default;
- reductions in the volume of our loans as a result of clients' inability to service high interest rate payments; and
- reduction in the value of fixed income securities held in our investment portfolio.

There can be no assurance that we will be able to adequately manage our interest rate risk. If we are unable to address the interest rate risk, it could have an adverse effect on our net interest margin, thereby adversely affecting our business and financial condition.

5. ***The Company has been subject to RBI inspections and any adverse action taken could affect the business and operations of the Company.***

As an NBFC, we are subject to periodic inspection by RBI under section 45N of the RBI Act, pursuant to which RBI inspect our books of accounts and other records for the purpose of verifying compliance with applicable regulations, the correctness or completeness of any statement, information or particulars furnished to RBI. During the course of finalization of inspection, RBI shares its findings and recommendations with us and gives us an opportunity to provide justification and clarifications. Further, RBI also seeks certain clarifications and shares its findings. RBI in the past has issued observations pursuant to such periodic inspection and our Company had given clarifications in this regard.

In recent inspection reports, the RBI has, among other things, identified major areas of non-compliance to statutory and regulatory guidelines including (a) Non-compliance with Para 6 (B) in Annex II of SBR Framework with respect to computation of LCR at monthly intervals and not on an ongoing basis; (b) Non-compliance of Para 45.2.1 of SBR Framework with respect to sanction letters not being in vernacular language; (c) Gaps in the review of the transactions and ancillary activities related to the same with related entities/parties; (d) Pending repayment of auction surplus; (e) Non-compliance with Para 45.1.2 of SBR Framework with respect to incomplete information in application forms for loans; (f) non-compliance of inspection of end use of funds by related parties; (g) non-validation of assumptions used for capital estimation for ICAAP; (h) Pending review of compliance of Fair Practices Code and functioning of grievance redressal mechanism before the board of directors of the Company; (i) oversight of senior management with respect to certain activities such as non-disclosure of charges collected from customers, non-maintenance of LTV etc.;(j) Non-compliance of fundamental norms of borrower-based asset classification; (k) Non-compliance with para 15.1 of SBR Framework with respect to provision to the extent of 100% for unsecured portion for doubtful advances; (l) Non-review of the NBFCs liquidity risk management process in terms of Para C of Annex II of SBR Framework.

Whilst we have responded/continue to respond to such observations made by RBI and addressed them, however, we cannot assure you that RBI will not make similar or other observations in the future. In the event we are unable to resolve the issues to RBI's satisfaction, we may be restricted in our ability to conduct our business as we currently do. While we seek to comply with all regulatory provisions applicable to us, in the event we are unable to comply with the observations made by RBI, we could be subject to penalties and restrictions which may be imposed by RBI. Imposition of any penalty or adverse findings by the RBI during the ongoing or any future inspections may have an adverse effect on our business, results of operations, financial condition and reputation.

6. ***Our ability to access capital also depends on our credit ratings. Any downgrade of our credit ratings would increase borrowing costs and constrain our access to capital and lending markets and, as a result, would negatively affect our net interest margin and our business.***

The cost and availability of capital is also dependent on our short-term and long-term credit ratings. Any downgrade of our credit ratings would increase borrowing costs and constrain our access to capital and debt markets and, as a result, would negatively affect our net interest margin and our business. We have been assigned CRISIL AA-/Stable rating by CRISIL for our bank facilities, CRISIL AA-/Stable rating by CRISIL and BWR AA-/(Stable) rating by Brickworks for its various non-convertible debt instruments, CRISIL A/Stable rating by CRISIL for ₹ 69,900 lakh perpetual bonds and BWR A+/Stable rating by Brickworks for ₹ 37,400 lakh perpetual bonds and CRISIL A1+ rating by CRISIL for its short-term debt programme.

Any downgrade of our credit ratings would increase borrowing costs and constrain ofur access to capital and debt markets and, as a result, would negatively affect our net interest margin and our business. For instance, CRISIL had on November 18, 2016, downgraded its ratings on the bank facilities and debt instruments of the Company to 'CRISIL A-/Stable/CRISIL A1' from 'CRISIL A/Stable/CRISIL A1'. In addition, downgrades of our credit ratings could increase the possibility of additional terms and conditions being added to any additional financing or refinancing arrangements in the future. Any such adverse development could adversely affect our business, financial condition and results of operations. The financial and risk profiles of one or more of our Group entities may also result in a downgrade of our credit ratings.

7. ***If we are unable to manage the level of NPAs in our gold loans and other loans, our financial position and results of operations may suffer.***

Our Stage 3 Assets as a percentage of total loan assets as per Ind AS was 1.50%, 1.62%, 2.11% and 2.88% as of June 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 respectively. Our Stage 3 Assets net of Stage 3 Provision as per Ind AS as on June 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 were at 0.52%, 0.64%, 0.58% and 1.57% on a standalone basis.

The Master Directions prescribe the provisioning required in respect of our outstanding loan portfolio. Should the overall credit quality of our loan portfolio deteriorate, the current level of our provisions may not be adequate to cover further increases in the amount of our non-performing assets. Furthermore, although we believe that our total provision will be adequate to cover all known losses in our asset portfolio, our current provisions may not be adequate when compared to the loan portfolios of other financial institutions.

Moreover, there also can be no assurance that there will be no further deterioration in our provisioning coverage as a percentage of gross non-performing assets or otherwise, or that the percentage of nonperforming assets that we will be able to recover will be similar to our past experience of recoveries of nonperforming assets. In the event of any further increase in our non-performing asset portfolio, there could be an even greater, adverse impact on our results of operations.

8. ***This Shelf Prospectus includes certain unaudited financial information, which has been subjected to limited review, in relation to our Company. Reliance on such information should, accordingly, be limited.***

This Shelf Prospectus includes unaudited financial information in relation to our Company for the quarter ended June 30, 2024, in respect of which the Auditors have issued their limited review report dated August 13, 2024. The Unaudited Standalone Financial Results prepared by our Company in accordance with Regulation 52(2) of the Listing Regulations have been subject only to a limited review and as described in Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information" Performed by the Independent Auditor of the Entity" issued by the ICAI, and not to an audit, any reliance by prospective investors on such Unaudited Standalone Financial Results for the quarter quarter ended June 30, 2024 should, accordingly, be limited. Additionally, in accordance with applicable law, our Company is required to publish its half-yearly financial information with the stock exchanges.

9. ***High levels of customer defaults could adversely affect our business, financial condition and results of operations.***

Our primary business involves lending money and accordingly we are subject to customer default risks including default or delay in repayment of principal or interest on our loans. Customers may default on their obligations to us as a result of various factors including bankruptcy, lack of liquidity, lack of business and operational failure. If borrowers fail to repay loans in a timely manner or at all, our financial condition and results of operations will be adversely impacted if the auction proceeds of the defaulted accounts could not meet the principal and interest amount.

Further, unlike several developed economies, a nationwide credit bureau has only recently become operational in India, so there is less financial statements available about the creditworthiness of our customers. It is therefore difficult to carry out precise credit risk analyses on our clients. Although we follow certain KYC procedures at the time of sanctioning a loan, we generally rely on the quality of the gold jewellery provided as collateral rather than on a stringent analysis of the credit profile of our clients. Although we believe that our risk management controls are sufficient, we cannot be certain that they will continue to be sufficient or that additional risk management policies for individual borrowers will not be required. Failure to continuously monitor the loan contracts, particularly for individual borrowers, could adversely affect our credit portfolio which could have a material and adverse effect on our results of operations and financial condition and/or cash flows.

10. ***We may not be able to recover the full loan amount, and the value of the collateral may not be sufficient to cover the outstanding amounts due under defaulted loans. Failure to recover the value of the collateral could expose us to a potential loss, thereby adversely affect our financial condition and results of operations.***

We extend loans secured by gold jewellery provided as collateral by the customer. An economic downturn or sharp downward movement in the price of gold could result in a fall in collateral value. In the event of any decrease in the price of gold, customers may not repay their loans and the value of collateral gold jewellery securing the loans may decrease significantly in value, resulting in losses which we may not be able to support. Although we use a technology-based risk management system and follow strict internal risk management guidelines on portfolio monitoring, which include periodic assessment of loan to security value on the basis of conservative market price levels, limits on the amount of margin, ageing analysis and predetermined loan closure call thresholds, no assurance can be given that if the price of gold decreases significantly, our financial condition and results of operations would not be adversely affected. The impact on our financial position and results of operations of a hypothetical decrease in gold values cannot be reasonably estimated because the market and competitive response to changes in gold values is not pre-determinable.

Additionally, we may not be able to realise the full value of our collateral, due to, among other things, defects in the quality of gold though the adequate systems in place like periodical verification of the pledged jewellery by the gold inspectors and employing well trained staff and large segment of the borrowers being repeat customers. In case of a default, we typically sell the collateral gold jewellery through auctions primarily to jewellers however there can be no assurance that we will be able to sell such gold jewellery at prices sufficient to cover the amounts under default. Furthermore, enforcing our legal rights by litigating against defaulting customers is generally a slow and potentially expensive process in India. Accordingly, it may be difficult for us to recover amounts owed by defaulting customers in a timely manner or at all.

We may also be affected by failure of employees to comply with internal procedures and inaccurate appraisal of credit or financial worth of our clients in spite of the periodical verification of the pledged ornaments by Gold inspectors and specified interval inspection and auditing by internal auditors. Failure by our employees who are experienced and trained, to properly appraise the value of the collateral provides us with no recourse against the borrower and the loan sanction may eventually result in a bad debt on our books of accounts. In the event we are unable to check the risks arising out of such lapses, our business and results of operations may be adversely affected.

11. ***Our statutory auditors have highlighted certain reservations or qualification or adverse remarks or other***

***observations by the auditors in the audit reports relating to our audited financial statements and the limited review report on the Unaudited Standalone Financial Results, which may affect our future financial results*.**

The Auditor's Report on the Audited Financial Statements issued by our statutory auditors for the Fiscals 2024, 2023 and 2022, and the limited review report on the Unaudited Standalone Financial Results included certain reservations or qualification or adverse remarks or other observations. However, the auditor's opinion was unmodified. For further details of the observations, please refer "Financial Information" on page 161 and "Outstanding Litigations - IX. Summary of reservations or qualifications or adverse remarks or other observations by auditors in the audit report / CARO by the auditors in the last three financial years i.e. Fiscal 2022 to Fiscal 2024 and for the quarter ended June 30, 2024, and their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remarks" on page 232. There can be no assurance that our statutory auditors will not include further reservations or qualifications or other observations or other similar comments in the audit reports to our audited financial statements in the future, or that such remarks or observations will not affect our financial results in future fiscal periods. Investors should consider the resevrations or qualifications or other observations and remarks in evaluating our financial condition, results of operations and cash flows. Any such matter of emphasis or remark in the auditors' report on our financial statements in the future may also adversely affect the trading price of the NCDs.

12. ***We were subjected to payment of fine to BSE in past for certain delayed compliances with reporting requirements mentioned under the SEBI Listing Regulations***

Our Company is subject to the obligations and reporting requirements under SEBI Listing Regulations, including Regulation 60(2) which specifies that a listed entity shall intimate the Stock Exchange the Record Date of the Security, 7 working days (excluding the intimating date and record date) in advance. There has been a delay in intimating the record date to BSE with respect to certain debt instruments during financial years 2021-22 and 2022-23, which has resulted in levy of fines by BSE. The Company has responded to BSE stating that such delay is due to its inadvertent lapse in including public holidays while calculating the days as provided under Regulation 60(2) and therefore, sought for a condonation of delay, which request is pending. However, in the interim, the Company has paid the fine, subject to the final outcome of the application of condonation of delay. Further, there have been no penalties levied on us by BSE for the financial year 2024-2025. Though our Company endeavours to comply with all such obligations/reporting requirements on timely manner, there have been certain instances of non-compliance and delays in complying with such obligations/reporting requirements. Any such delays or non-compliance would render our Company to prosecution and/or penalties.

13. ***Our significant indebtedness and the conditions and restrictions imposed by our financing arrangements could restrict our ability to conduct our business and operations in the manner we desire.***

As of June 30, 2024, the total secured borrowings utilised by the Company aggregated to ₹ 18,86,230.63 lakhs, unsecured borrowings utilised by our Company aggregated to ₹ 2,21,628.88 lakhs and outstanding securitization (pass through certification) is Nil. Most of our borrowings are secured by hypothecation of current assets/loan receivables. Our significant indebtedness could have several important consequences, including but not limited to the following:

- a portion of our cash flow may be used towards repayment of our existing debt, which will reduce the availability of our cash flow to fund working capital, capital expenditures, acquisitions and other general corporate requirements;
- our ability to obtain additional financing in the future at reasonable terms may be restricted or our cost of borrowings may increase due to sudden adverse market conditions, including decreased availability of credit or fluctuations in interest rates;
- fluctuations in market interest rates may affect the cost of our borrowings as some of our indebtedness are at variable interest rates;
- there could be a material adverse effect on our business, financial condition and results of operations if we are unable to service our indebtedness or otherwise comply with financial and other covenants specified in the financing agreements; and
- we may be more vulnerable to economic downturns, we may be limited in our ability to withstand competitive pressures and we may have reduced flexibility in responding to changing business, regulatory and economic conditions.

Moreover, certain loans may be recalled by our lenders at any time. Any of these lenders may affect our business and operations where we are currently in breach of or have breached in the past.

14. ***Some of our financial arrangements contain restrictive covenants that may adversely affect our business and operations, some which we are currently in breach of or have breached in the past*.**

Some of our financing agreements include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions. Failure to meet these conditions or obtain these consents could have significant consequences on our business and operations. Specifically, under some of our financing agreements, we require, and may be unable to obtain, consents from the relevant lenders for, among others, the following matters: entering into any scheme of merger; spinning-off of a business division; selling or transferring all or a substantial portion of our assets; making any change in ownership or control or constitution of our Company; making amendments in our Memorandum and Articles of Association; creating any further security interest on the assets upon which the existing lenders have a prior charge; and raising funds by way of any fresh capital issue. These covenants vary depending on the requirements of the financial institution extending the loan and the conditions negotiated under each financing document. Such covenants may restrict or delay certain actions or initiatives that we may propose to take from time to time.

Further, the financing arrangements that we have entered into with certain banks and financial institutions and terms and conditions for issue of non-convertible debentures issued by us contain restrictive covenants, which among other things require us to obtain prior permission of such banks, financial institutions or debenture trustees or to inform them with respect to various activities, including, alteration of our capital structure, changes in management, raising of fresh capital or debt, payment of dividend, revaluation or sale of our assets, undertaking new projects, creating subsidiaries, change in accounting policies, or invest by way of share capital or lend to other companies, undertaking guarantee obligations on behalf of other companies, and creation of further charge on fixed assets. Additionally, certain loan agreements require us to meet and maintain prescribed financial ratios. Further, under these loan agreements during the subsistence of the facilities, certain lenders have a right to appoint nominee directors on our Board from time to time. Furthermore, some of our financing arrangements contain cross default provisions which could automatically trigger defaults under other financing arrangements, in turn magnifying the effect of an individual default. Although we attempt to maintain compliance with our covenants or obtain prospective waivers where possible, we cannot assure you that we will be continuously compliant.

We have breached certain such covenants in the past and may continue to be inadvertently in technical breach of, certain covenants under these loan agreements and other financing arrangements. While we are not aware of any such breaches, and although no bank or financial institution has issued a notice of default to us, if we are held to be in breach of any financial or other covenants contained in any of our financing arrangements, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs, and because of such defaults we may be unable to find additional sources of financing. If any of these events were to occur, it would likely result in a material adverse effect on our financial condition and results of operations or even our ability to continue as a going concern. A failure to observe the covenants under our financing arrangements or to obtain necessary consents required thereunder may lead to the termination of our credit facilities, acceleration of all amounts due under such facilities and the enforcement of any security provided. Any acceleration of amounts due under such facilities may also trigger cross default provisions under our other financing agreements. If the obligations under any of our financing documents are accelerated, we may have to dedicate a substantial portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. Further, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing. Any of these circumstances could adversely affect our business, credit rating and financial condition and results of operations. Moreover, any such action initiated by our lenders could result in the price of our NCDs being adversely affected.

15. ***Our entire customer base comprises of individuals, small traders and business operators, who generally are more likely to be affected by declining economic conditions than larger corporate borrowers. Any decline in the repayment capabilities of our borrowers, may result in increase in default thereby adversely affecting our business and financial condition.***

Individual and small enterprise segment borrowers generally are less financially resilient than larger corporate borrowers, and, as a result, they can be more adversely affected by declining economic conditions. In addition, a significant majority of our customer base belongs to the low to medium income group and/or the small enterprises finance sector who may be more likely to be affected by declining economic conditions than large corporate houses.

Any decline in the economic conditions may impact the repayment capabilities of our borrowers, which may result in increase in defaults, thereby adversely affecting our business and financial conditions.

16. ***We face difficulties in carrying out credit risk analyses on our customers, most of whom are individual borrowers, which could have a material and adverse effect on our results of operations and financial condition.***

Unlike several developed economies, a nationwide credit bureau has only recently become operational in India, so there is less financial statements available about individuals, particularly our focus customer segment from the low to medium income group who typically have limited access to other financing sources. It is therefore difficult to carry out precise credit risk analyses on our customers. Although we believe that our risk management controls are sufficient, we cannot be certain that they will continue to be sufficient or that additional risk management policies for individual borrowers will not be required. Failure to maintain sufficient credit assessment policies for non gold loans particularly for individual borrowers, could adversely affect our credit portfolio which could have a material and adverse effect on our results of operations and financial condition.

17. ***Since we handle high volumes of cash and gold jewellery in a dispersed network of branches, we are exposed to operational risks, including employee negligence, fraud, petty theft, burglary and embezzlement, which could harm our results of operations and financial position.***

As of June 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, we held cash balance of ₹ 12,315.73, 8,613.95 lakhs, ₹ 9,437.66 lakhs and ₹ 8,835.38 lakhs and gold jewellery of 47.63 tons, 48.21 tons, 48.01 tons and 54.03 tons respectively. Our gold loan transactions involve handling significant volumes of cash and gold jewellery at our branch offices. Large cash and gold jewellery transactions expose us to the risk of fraud by employees, agents, customers or third parties, theft, burglary and misappropriation or unauthorised transactions by our employees. Our insurance policies, security systems and measures undertaken to detect and prevent these risks may not be sometimes, sufficient to prevent or deter such activities in all cases, which may adversely affect our operations and profitability. Our employees may also become targets of the theft, burglary and other crimes if they are present when these crimes are committed and may sustain physical and psychological injuries as a result. We may encounter difficulties recruiting and retaining qualified employees due to this risk and our business and operations may be adversely affected. Please see below details as on June 30, 2024:

(₹ in lakhs)

	As on June 30, 2024			
	No. of cases	**Amount**	**No of cases after recovery**	**Amount after recovery**
Internal Fraud	3	156.13	3	146.70
Spurious	0	0	0	0.00
Theft	23	46.47	0	46.47
Total	**26**	**202.60**	**3**	**193.17**

Further, we may be subject to regulatory or other proceedings in connection with any unauthorised transaction, fraud or misappropriation by our representatives and employees, which could adversely affect our goodwill. The nature and size of the items provided as collateral allow these items to be misplaced or misdelivered, which may have a negative impact on our operations and result in losses.

18. ***We may not be able to successfully sustain our growth strategy. Inability to effectively manage any of our growth and related issues could materially and adversely affect our business and impact our future financial performance.***

Our gross loans under management as of June 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 was 22,95,840.16 Lakhs, ₹ 21,71,234.13 lakhs, ₹ 17,61,507.49 lakhs and ₹17,32,313 lakhs, respectively, on a standalone basis as per IndAS. As ofMarch 31, 2024, March 31, 2023 and March 31, 2022, our Company held 47.63 tonnes, 48.21 tonnes, 48.01 tonnes and 54.03 tonnes respectively, of gold jewellery, respectively, as security for all gold loans. Our capital adequacy ratio as of June 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 computed on the basis of applicable RBI requirements was 18.92%, 20.01 %, 21.34% and 19.42% respectively, on standalone basis as per Ind AS, compared to RBI stipulated minimum requirement of 15%, with Tier I Capital comprising 15.56%, 15.87%, 16.48% and 14.73% respectively.

Our Stage 3 Assets as a percentage of total loan assets as per Ind AS was 1.50%, 1.62%, 2.11% and 2.88% as of June 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 respectively. Our Stage 3 Assets net of Stage 3 Provision as per Ind AS as on March 31, 2024, March 31, 2023 and March 31, 2022 were at 0.52%, 0.64%, 0.58%

and 1.57% respectively, on a standalone basis.

Our growth strategy includes growing our loan book, expanding our customer base and expanding our branch network. There can be no assurance that we will be able to sustain our growth strategy successfully or that we will be able to expand further or diversify our product portfolio or grow the levels of net profit earned in recent years. Furthermore, there may not be sufficient demand for such products, or they may not generate sufficient revenues relative to the costs associated with offering such products and services. Even if we were able to introduce new products and services successfully, there can be no assurance that we will be able to achieve our intended return on such investments. If we grow our loan book too rapidly or fail to make proper assessments of credit risks associated with new borrowers, a higher percentage of our loans may become non-performing, which would have a negative impact on the quality of our assets and our financial condition.

We also face a number of operational risks in executing our growth strategy. We have experienced rapid growth in our gold loan business and our branch network also has expanded significantly, and we are entering into new, smaller towns and cities within India as part of our growth strategy. Our rapid growth exposes us to a wide range of increased risks, including business risks, such as the possibility that a number of our impaired loans may grow faster than anticipated, as well as operational risks, fraud risks and regulatory and legal risks. Moreover, our ability to sustain our rate of growth depends significantly upon our ability to manage key issues such as selecting and retaining key managerial personnel, maintaining effective risk management policies, continuing to offer products which are relevant to our target base of clients, developing managerial experience to address emerging challenges and ensuring a high standard of client service. Particularly, we are significantly dependent upon a core management team who oversee the day-to-day operations, strategy and growth of our businesses. If one or more members of our core management team were unable or unwilling to continue in their present positions, such persons may be difficult to replace, and our business and results of operation could be adversely affected. We will need to recruit new employees, who will have to be trained and integrated into our operations. We will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to train our employees properly may result in an increase in employee attrition rates, require additional hiring, erode the quality of customer service, divert management resources, increase our exposure to high-risk credit and impose significant costs on us.

19. ***We face increasing competition in our business which may result in declining margins if we are unable to compete effectively. Increasing competition may have an adverse effect on our net interest margin, and, if we are unable to compete successfully, our market share may decline.***

Our principal business is the provision of personal loans to retail customers in India secured by gold jewellery as collateral. Historically, the gold loan industry in India has been largely unorganised and dominated by local jewellery pawn shops and money lenders, with very few public sector and old generation private sector banks focusing on this sector. Attractive interest rates relative to risk together with increased demand for access to capital from middle income group, previously utilised predominantly by lower income group customers with limited access to other forms of borrowings, have increased our exposure to competition. The demand for gold loans has also increased due to relatively affordable interest rates, increased need for urgent borrowing or bridge financing requirements and the need for liquidity for assets held in gold and also due to increased awareness among customers of gold loan s as a source of quick access to funds.

All of these factors have resulted in increased competition from other lenders in the gold loan industry, including commercial banks and other NBFCs. Unlike commercial banks or deposit taking NBFCs, we do not have access to funding from savings and current deposits of customers. Instead, we are reliant on higher-cost term loans and debentures for our funding requirements, which may reduce our margins compared to competitors. Our ability to compete effectively with commercial banks or deposit-taking NBFCs will depend, to some extent, on our ability to raise low-cost funding in the future. If we are unable to compete effectively with other participants in the gold loan industry, our business, future financial performance, and the trading price of the NCDs and Equity Shares may be adversely affected.

We operate in largely un-tapped markets in various regions in India where banks operate actively in the gold loan business. We compete with pawnshops and financial institutions, such as consumer finance companies. Other lenders may lend money on unsecured basis, at interest rates that may be lower than our service charges and on other terms that may be more favourable than ours.

Furthermore, as a result of increased competition in the gold loan industry, gold loans are becoming increasingly standardised and variable interest rate and payment terms and waiver of processing fees are becoming increasingly common in the gold loan industry in India. There can be no assurance that we will be able to react effectively to these or other market developments or compete effectively with new and existing players in the increasingly competitive gold loans industry. Increasing competition may have an adverse effect on our net interest margin and other income, and, if we are unable to compete successfully, our market share may decline as the origination of new loans declines.

20. ***We may experience difficulties in expanding our business into new regions and markets in India and introducing our complete range of products in each of our branches which may affect our business prospects, financial condition and result of operations.***

As part of our growth strategy, we continue to evaluate attractive growth opportunities to expand our business into new regions and markets in India. Factors such as competition, culture, regulatory regimes, business practices and customs and customer requirements in these new markets may differ from those in our current markets and our experience in our current markets may not be applicable to these new markets. In addition, as we enter new markets and geographical regions, we are likely to compete not only with other traditional gold loan NBFCs, banks and financial institutions but also the local unorganized or semi-organized private financiers and pawn brokers, who are more familiar with local traditions, regulations, business practices and customs and have stronger relationships with customers.

As a part of our growth strategy, we propose to increase our network of branches across the country and reach out to newer markets while strengthening our position in our existing markets with respect to the core gold loans business. Such branches will only be opened after multiple rounds of market evaluation, customer research and launching branches in close proximity to high customer activity areas. These branches are proposed to service the needs of our customers for all our Company's products.

Our business may be exposed to various additional challenges including obtaining necessary governmental approvals, identifying and collaborating with local businesses and partners with whom we may have no previous working relationship; successfully gauging market conditions in local markets with which we have no previous familiarity; attracting potential customers in a market in which we do not have significant experience or visibility; being susceptible to local taxation in additional geographical areas of India and adapting our marketing strategy and operations to different regions of India in which different languages are spoken. Our inability to expand our current operations may adversely affect our business prospects, financial conditions and results of operations.

21. ***A majority of our branches are located in southern India, and any disruption or downturn in the economy in the states in India where we operate, or any change in consumer preferences in that region could adversely affect our results of operations and financial condition.***

We have a strong concentration of our business in south India with 2,693 branches out of our 3,694 branches as on June 30, 2024, located in the southern states of Kerala (759 branches), Tamil Nadu (770 branches), Andhra Pradesh (347 branches), Telangana (257 branches), Goa (11 branches), Karnataka (594 branches), and other states (1001 branches). Further, approximately 64.80% of our gold loan portfolio as on June 30, 2024 is concentrated in the aforementioned states. Any adverse change in the political and/or economic environment in the states of Kerala, Tamil Nadu, Andhra Pradesh, Telangana, Goa and Karnataka or any unfavourable changes in the regulatory and policy regime in the said region could adversely affect our business operations, financial condition and/or profitability. Our concentration in southern India exposes us to adverse economic or political circumstances that may arise in that region as compared to other NBFCs and commercial banks that may have diversified national presence. Further, any changes in customer preferences in the said region could also affect our operations and profitability. If there is sustained downturn in the economy of southern India, our financial position may be adversely affected.

22. ***New product/services offered by us may not be successful.***

We introduce new products/services to explore new business opportunities from time to time. We cannot assure you that all our new products/services and/or business ventures will gain customer acceptance, and this may result in our inability to recover incurred pre-operative expenses and launch costs. Further, our inability to grow in new business areas could adversely affect our business and financial performance.

23. ***We may not be able to maintain our current levels of profitability due to increased costs or reduced spreads.***

Our business involves a large volume of small-ticket size loans and requires manual operational support. Hence, we require dedicated staff for providing our services. In order to grow our portfolio, our expanded operations will also increase our manpower requirements and push up operational costs. Our growth will also require a relatively higher gross spread, or margin, on the consumer lending products we offer in order to maintain profitability. There can be no assurance that we will be able to maintain our current levels of profitability if the gross spreads on our consumer lending products were to reduce substantially, which could adversely affect our results of operations.

24. Majority of our loan portfolio is not classified as priority sector advances by RBI. Further, any RBI regulations making our gold loans ineligible for securitization, will result in higher cost of funds.

RBI prudential norms for banks require domestic commercial banks operating in India to maintain an aggregate 40% (32% for foreign banks) of their adjusted net bank credit or credit equivalent amount of off-balance sheet exposure, whichever is higher as "priority sector advances". These include advances to agriculture, small enterprises, exports and similar sectors where the Government seeks to encourage flow of credit for developmental reasons. Banks in India that have traditionally been constrained or unable to meet these requirements organically, have relied on specialised institutions like our Company that are better positioned to or focus on originating such assets through on-lending or purchase of assets or securitised pools to comply with these targets.

The gold loan borrowers have the option to pay the interest regularly to have the concessionary interest rate and have the option to part /fully pay the principal. However, small percentage (around 11-13%) of the borrowers follow this. Compared to the total gold loan portfolio, only a small portion of our gold loan portfolio meets the eligible criteria for securitization/ assignment norms (including holding period and seasoning), thereby restricting our Company's ability to raise fund by assignment /securitization.

25. A decline in our capital adequacy ratio could restrict our future business growth.

All non-deposit taking NBFCs are required to maintain a minimum capital adequacy ratio, consisting of Tier I and Tier II Capital of not less than 15% of their aggregate risk weighted assets on balance sheet and risk adjusted value of off-balance sheet items. Further, RBI has introduced minimum Tier I Capital requirement of 12% to be effective from April 1, 2014 for NBFCs primarily for whom loans against gold jewellery comprise more than 50% of their financial assets, including us. Our capital adequacy ratio as of June 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 computed on the basis of applicable RBI requirements was 18.92%, 20.01%, 21.34% and 19.42%, respectively, on standalone basis as per Ind AS, compared to RBI stipulated minimum requirement of 15%, with Tier I Capital comprising 15.56%, 15.87%, 16.48% and 14.73%, respectively. If we continue to grow our loan portfolio and asset base, we will be required to raise additional Tier I and Tier II Capital in order to continue to meet applicable capital adequacy ratios with respect to our business. There can be no assurance that we will be able to raise adequate additional capital in the future on terms favourable to us or at all and this may adversely affect the growth of our business. Failure to maintain adequate capital adequacy ratio or Tier I Capital may adversely affect the growth of our business. Further, any regulatory change in capital adequacy requirements imposed by the RBI may have an adverse effect on our results of operation.

26. If we fail to maintain effective internal control over financial reporting in the future, the accuracy and timing of our financial reporting may be adversely affected.

We have taken steps to enhance our internal controls commensurate to the size of our business, primarily through the formation of a designated branch audit and inspection team. However, certain matters such as fraud and embezzlement cannot be eliminated entirely given the cash nature of our business. While we expect to remedy such issues, we cannot assure you that we will be able to do so in a timely manner, which could impair our ability to accurately and timely report our financial position, results of operations or cash flows.

27. A significant proportion of the gold loans we offer are due within twelve months of disbursement, and a failure to disburse new loans may result in a reduction of our loan portfolio and a corresponding decrease in our interest income.

90.90%, 90.71%, 94.90% and 96.42% of our total loan portfolio (AUM) as on June 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, respectively, are due within twelve months from the end of the respective period. The relatively short-term nature of such gold loans (i) may lead to a positive mismatch in the asset liability position of our Company in the short term since a portion of our borrowings are typically for longer duration negative mismatch in the long term but cumulatively positive mismatch and/or (ii) affect ability to ascertain steady long terms revenues. In addition, our existing customers may not obtain new gold loans from us upon maturity of their existing gold loans, particularly if competition increases. The potential instability of our interest income could materially and adversely affect our results of operations and financial position.

28. ***System failures or inadequacies and security breaches in computer systems may adversely affect our business operations and result in financial loss, disruption of our business, regulatory intervention or damage to our reputation.***

Our business is largely dependent on our ability to process a large number of transactions on a daily basis. Significantly, all our branches are required to send records of transactions, at the end of every working day, to a central system for consolidation of branch data. Our financial, accounting or other data processing systems may fail to operate adequately or become disabled as a result of events that are wholly or partially beyond our control including a disruption of electrical or communications services.

Our ability to operate and remain competitive will depend in part on our ability to maintain and upgrade our information technology systems on a timely and cost-effective basis. The information available to and received by our management through our existing systems may not be timely and sufficient to manage risks or to plan for and respond to changes in market conditions and other developments in our operations. We may experience difficulties in upgrading, developing and expanding our systems quickly enough to accommodate our growing customer base and range of products.

Our operations also rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Our computer systems, software and networks may be vulnerable to unauthorised access, computer viruses or other malicious code and other events that could compromise data integrity and security.

Any failure to effectively maintain or improve or upgrade our management information systems in a timely manner could materially and adversely affect our competitiveness, financial position and results of operations. Moreover, if any of these systems do not operate properly or are disabled or if there are other shortcomings or failures in our internal processes or systems, it could affect our operations or result in financial loss, disruption of our businesses, regulatory intervention or damage to our reputation. In addition, our ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports our businesses and the localities in which we are located.

29. ***We face asset-liability mismatches which could affect our liquidity and consequently may adversely affect our operations and profitability.***

We face potential liquidity risks due to varying periods over which our assets and liabilities mature. As is typical for NBFCs, a portion of our funding requirements is met through short-term funding sources such as bank loans, working capital demand loans, cash credit, short term loans and commercial papers. However, each of our products differs in terms of the average tenor, average yield, average interest rates and average size of loan. The average tenor of our products is lesser than the average tenor of our liabilities. Typically, the average maturity profile of our Company's lending portfolio is 4-5 months to 1 year whereas the liabilities are of a longer term. Consequently, since our assets are of short term and liabilities are of long term nature, our inability to obtain additional credit facilities or renew our existing credit facilities, in a timely and cost-effective manner or at all, may lead to liquidation/ non building of assets of our assets, which in turn may adversely affect our operations and financial performance. Further, mismatches between our assets and liabilities are compounded in case of pre-payments of the financing facilities we grant to our customers. Such prepayment of the financing facility, if further assets are not built up may affect the financial performance.

30. ***Any disassociation of our Company from "Muthoot Pappachan Group" could adversely affect our operations and profitability.***

Our Promoters collectively hold 79.68% of our paid-up Equity Share capital as on June 30, 2024. If our Promoters cease to exercise control over our Company as a result of any transfer of shares or otherwise, our ability to derive any benefit from the brand name "Muthoot Fincorp" and "Muthoot Pappachan" brand names and our goodwill as a part of the "Muthoot Pappachan" Group may be adversely affected, which in turn could adversely affect our business and results of operations. Any such change of control could also significantly influence our business policies and operations.

We benefit in several ways from other entities under the "Muthoot Pappachan" Group. Our customer base over the years has comprised of customers of other entities in the Muthoot Pappachan Group, such as customers of Muthoot Capital Services Limited and MHFCL. Accordingly, any disassociation of our Company from the Muthoot Pappachan Group could adversely affect our ability to attract customers and to expand our business, which in turn could adversely affect our goodwill, operations and profitability.

31. ***The trademark/service mark and logo in connection with the "Muthoot Pappachan" brand and the "Muthoot Fincorp" logo are pending registration in various classes including classes which pertain to our Company's business. Our failure to protect our intellectual property may adversely affect our goodwill, operations and profitability.***

The trademark/service mark and logo in connection with the "Muthoot Pappachan" brand and the "Muthoot Fincorp" logo are pending registration in various classes including classes which pertain to our Company's business. Our Promoters have applied for but not obtained registrations in connection with protection of the aforesaid trademarks and logos. Presently, the status of our application is 'opposed' as on date, however there is no restriction on the usage of the mark. There can be no assurance that our Promoters would be able to obtain registrations of the aforesaid logos and trademarks under each or all of the classes. Once such trademarks and/or logos are registered we intend to enter into an agreement with our Promoters for the use of such logos and/or trademarks. There can be no assurance that we would be able to enter into such agreement(s) with our Promoters on terms which are commercially favourable to us, or at all. Further, if the commercial terms and conditions including the consideration payable pursuant to the said agreement are revised unfavourably, our Company may be required to allocate larger portions of its profits and/or revenues towards such consideration, which would adversely affect our profitability.

Any failure to protect our intellectual property rights may adversely affect our competitive business position. If any of our unregistered trademarks or proprietary rights are registered by a third party, we may not be able to make use of such trademark or propriety rights in connection with our business and consequently, we may be unable to capitalize on the brand recognition associated with our Company. Until such time that we have rights in connections with registered trademarks, we can only seek relief against "passing off" by other entities. Accordingly, we may be required to invest significant resources in developing a new brand. Further, the intellectual property protection obtained by us may be inadequate and/or we may be unable to detect any unauthorised use and/or that we may need to undertake expensive and time-consuming litigation to protect our intellectual property rights and this may have an adverse effect on our business, prospects, results of operations and financial condition. We operate in a competitive environment and we believe that our brand recognition is a significant competitive advantage to us. Any such failure to protect our intellectual property rights could require us to incur additional costs and may adversely impact our goodwill, business prospects and results of operations.

32. ***We do not own most of our branch offices and our registered office. Any failure on our part to execute and/or renew lease and license agreements and/or lease deeds in connection with such offices or failure to locate alternative offices in case of termination of the leases and/or leave and license arrangements in connection with any branch could adversely affect our operations and profitability.***

Our Registered Office and most of our branches are located on leased and/or licensed premises. If any of the owners of these premises does not renew an agreement under which we occupy the premises, attempt to evict us or seek to renew an agreement on terms and conditions unfavourable to us, we may suffer a disruption in our operations or increased costs, or both, which may adversely affect our business and results of operations. Further, most of our lease agreements with respect to our immovable properties may not be adequately stamped or duly registered. Unless such documents are adequately stamped or duly registered, such documents may be rendered as inadmissible as evidence in a court in India, may not be authenticated by any public officer, or attract penalty as prescribed under applicable law, which impact our ability to enforce these agreements effectively, which may result in a material adverse effect on the continuance of the operations and business of our Company.

33. ***We have certain contingent liabilities which may adversely affect our financial condition if they materialise.***

Our financial statements disclosed and reflected the following contingent liabilities:

Contingent Liabilities (to the extent not provided for)

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Claims against the Company not acknowledged as debt			
i. Income Tax Demands	3,679.87	3,420.85	3,419.85
ii. Service Tax Demands	5,106.18	5,106.18	5,106.18
iii. Value Added Tax Demands	-	1,327.12	1,327.12
iv. Goods & Services Tax	787.09	-	-
v. Bank Guarantees	215.05	43.81	36.90

(₹ *in lakhs)*

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
vi. Claims not acknowledged as debt in view of counter claims raised	-	-	917.78
vii. The Company has filed a writ petition dated July 30, 2019 ("Petition") before the Madras High Court challenging the order passed by the Income Tax Settlement Commission, Chennai Bench abating the proceedings before it relating to the settlement application filed by the our company dated December 17, 2017 ("**Settlement Application**"), inter alia praying for stay on proceedings initiated by the Joint Commissioner of Income Tax, Central Circle, Thiruvananthapuram post abatement of proceedings by the settlement commission. The tax and interest due on the issues forming part of the Settlement Application aggregates to ₹740.6 million. The Settlement Application related to notices received under Section 148 for Assessment Year 2010-11, under Section 147 of the IT Act, as per which the income chargeable to tax for the assessment years 2011-12 to 2016-17 of our company had not been assessed, and Section 153A of the IT Act, as per which our company was required to prepare true and correct return of which our company was assessable for the assessment years 2011-2012 to 2016-2017 and for Assessment Year 2017-18, assessment of which was deemed to be pending by virtue of explanation (iv) to Section 245A(b) as on date of filing the settlement application. The Madras High Court pursuant to its order dated June 29, 2022 dismissed the Petition on the grounds that the cause of action of the matter has arisen fully in Kerala and not within the territorial jurisdiction of the Madras High Court, thereby ousting its jurisdiction to entertain the petition. Accordingly, our company filed a writ petition before the High Court of Kerala ("**High Court**") wherein the High Court had passed an order dated April 3, 2023 directing the Interim Board for Settlement to reconsider the Settlement Application of the our company afresh. The Interim Board of Settlement has passed an order dated November 15, 2023 opining on the settlement of income under the matter along with the interest to be charged and granting immunity to our company from prosecution and penalty imposed under the Income Tax Act. The Deputy Commissioner of Income Tax, Central Circle, Thiruvananthapuram has passed Orders giving effect to the Order of the Honorable Interim Board for Settlement for the Assessment Years 2010-11 to 2017-18 with demands aggregating to Rs.13,892.97 lakhs and refunds aggregating to Rs.4,675.93 lakhs. The Company evaluated the Orders passed and identified incorrect computations which has been intimated to the Central Circle, Thiruvananthapuram.			

In the event that any of these contingent liabilities materialise, our financial condition may be adversely affected.

34. We and some of our Subsidiries, Directors and Promoters are involved in various legal and other proceedings that if determined against us could have a material adverse effect on our business, financial condition and results of operations.

We and some of our Subsidiaries, Directors and Promoters are currently involved in a number of legal proceedings arising in the ordinary course of our business. These proceedings are pending at different levels of adjudication before various courts and tribunals, primarily relating to civil suits and tax disputes.

We cannot provide any assurance in relation to the outcome of these proceedings. An adverse decision in these proceedings could materially and adversely affect our business, financial condition and results of operations. Further, there is no assurance that similar proceedings will not be initiated against us in the future.

35. We are required to comply with strict regulations and guidelines issued by regulatory authorities in India. Any non-compliance with such regulations/guidelines may affect our status of operations.

We are regulated principally by and have reporting obligations to the RBI. We are also subject to the corporate, taxation and other laws in effect in India. The regulatory and legal framework governing us may continue to change as India's economy and commercial and financial markets evolve. In recent years, existing rules and regulations have been modified, new rules and regulations have been enacted and reforms have been implemented which are intended to provide tighter control and more transparency in India's asset finance sector.

Compliance with many of the regulations applicable to our operations may involve significant costs and otherwise may impose restrictions on our operations. If the interpretation of the regulators and authorities varies from our interpretation, we may be subject to penalties and the business of our Company could be adversely affected. Our present operations may not meet all regulatory requirements or subsequent regulatory amendments. There can be no assurance that changes in these regulations and the enforcement of existing and future rules by governmental and regulatory authorities will not adversely affect our business and future financial performance.

For instance, pursuant to RBI guidelines and based on the recommendations of the K.U.B Rao Committee, NBFCs are required to be more transparent to the borrower and bring standardization in valuation. Consequently, gold jewellery accepted as collateral shall have to be valued at the average of the closing price of 22 carat gold for the preceding 30 days as quoted by The Bombay Bullion Association Limited ("**BBA**") or the historical spot gold price data publicly disseminated by a commodity exchange regulated by the Forward Markets Commission. The Loan to Value ratio remains at 75%. While accepting the gold as collateral, NBFCs are required to give in writing to the borrower, on their letter head giving the purity (in terms of carats) and weight of the gold. If the gold is of purity less than 22 carats, the NBFC should translate the collateral into 22 carat and state the exact grams of the collateral. Loans amounting to ₹20,000 or more can be disbursed only by cheque or online transfers. Further, NBFCs have also been prohibited from issuing advertisements claiming the availability of loans in a matter of 2-3 minutes. Consequently, these guidelines could have an adverse effect on our results of operation and financial condition.

Further, existing NBFCs having more than 1,000 branches shall have to approach the RBI for prior approval for any further branch expansion.

36. ***Our ability to assess, monitor and manage risks inherent in our business differs from the standards of some of our counterparts in India and in some developed countries. Inability to effectively manage our risk management systems can adversely affect our business, financial condition and results of operation.***

We are exposed to a variety of risks, including liquidity risk, interest rate risk, credit risk, operational risk and legal risk. The effectiveness of our risk management is limited by the quality and timeliness of available data.

Our hedging strategies and other risk management techniques may not be fully effective in mitigating our risks in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Some methods of managing risks are based upon observed historical market behavior. As a result, these methods may not predict future risk exposures, which could be greater than the historical measures indicated. Other risk management methods depend upon an evaluation of information regarding markets, customers or other matters. This information may not in all cases be accurate, complete, current, or properly evaluated. Management of operational, legal or regulatory risk requires, among other things, policies and procedures to properly record and verify a number of transactions and events. Although we have established these policies and procedures, they may not be fully effective. Our future success will depend, in part, on our ability to respond to new technological advances and evolving NBFC and gold loan sector standards and practices on a cost-effective and timely basis. The development and implementation of such technology entails significant technical and business risks. There can be no assurance that we will successfully implement new technologies or adapt our transaction-processing systems to customer requirements or evolving market standards and any failure to do so can adversely affect our business, financial condition and results of operation.

37. ***We have entered into certain related party transactions and may continue to do so in the future.***

We have entered into transactions with related parties, within the meaning of AS 18 as notified by the Companies (Accounting Standards) Rules, 2006 including our Promoters, Directors and related entities. We can give no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.

Such transactions may give rise to current or potential conflicts of interest with respect to dealings between us and such related parties. Additionally, there can be no assurance that any dispute that may arise between us and related parties will be resolved in our favour.

38. ***Our success depends in large part upon our management team and key personnel and our ability to attract, train and retain such persons.***

Our ability to sustain our rate of growth depends significantly upon our ability to manage key issues such as selecting and retaining key managerial personnel, developing managerial experience to address emerging challenges and ensuring a high standard of client service. In order to be successful, we must attract, train, motivate and retain highly skilled employees, especially branch managers and product executives and gold assessment technical personnel. If we cannot hire additional qualified personnel or retain them, our ability to expand our business will be impaired and our revenue could decline. We will need to recruit new employees, who will have to be trained and integrated into our operations. In addition, we may not be able to hire and retain enough skilled and experienced employees to replace those who leave or may not be able to deploy and retain our employees to keep pace with continuing changes in technology, evolving standards and changing customer preferences. We will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to train and motivate our employees properly may result in an increase in employee attrition rates, divert management resources and subject us to incurring additional human resource related expenditure. Hiring and retaining qualified and skilled managers are critical to our future, as our business model depends on our credit-appraisal and asset valuation mechanism, which are personnel-driven operations. Moreover, competition for experienced employees in the finance sector can be intense. Our inability to attract and retain talented professionals, or the resignation or loss of key management personnel, may have an adverse impact on our business and future financial performance.

39. ***Our results of operations could be adversely affected by any disputes with our employees.***

As of June 30, 2024, we employed 23,000 employees including 97 contracted experts in our operations. Currently, none of our employees are members of any labour union. While we believe that we maintain good relationships with our employees, there can be no assurance that we will not experience future disruptions to our operations due to disputes or other problems with our work force, which may adversely affect our business and results of operations.

40. ***Our inability to obtain, renew or maintain our statutory and regulatory permits and approvals required to operate our business may have a material adverse effect on our business.***

We require certain statutory and/or regulatory permits and approvals for our business.

NBFCs in India are subject to strict regulations and supervision by the RBI. In addition to the numerous conditions required for the registration as a NBFC with the RBI, we are required to maintain certain statutory and regulatory permits and approvals for our business. In the future, we will be required to renew such permits and approvals and obtain new permits and approvals for any proposed operations. There can be no assurance that the relevant authorities will issue any of such permits or approvals in a timely manner or at all, and/or on favourable terms and conditions. Failure by us to comply with the terms and conditions to which such permits or approvals are subject, and/or to renew, maintain or obtain the required permits or approvals may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations.

In addition, our branches are required to be registered under the relevant shops and establishments laws of the states in which they are located. The shops and establishment laws regulate various employment conditions, including working hours, holidays and leave and overtime compensation. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, our business may be adversely affected. If we fail to comply, or a regulator claims we have not complied, with any of these conditions, our certificate of registration may be suspended or cancelled, and we shall not be able to carry on such activities.

41. ***We are subject to supervision and regulation by RBI as an NBFC-ML, and any adverse changes in RBI's regulations governing us could adversely affect our business.***

We are regulated principally by and have reporting obligations to the RBI. We are also subject to the corporate, taxation and other laws in effect in India. The regulatory and legal framework governing us may continue to change as India's economy and commercial and financial markets evolve. In recent years, existing rules and regulations have been modified, new rules and regulations have been enacted and reforms have been implemented which are intended to provide tighter control and more transparency in India's asset finance sector. We are subject to the RBI's guidelines on financial regulation of NBFCs, including capital adequacy, exposure and other prudential norms. The RBI also regulates the credit flow by banks to NBFCs and provides guidelines to commercial banks with respect to their investment and credit exposure norms for lending to NBFCs. The RBI's regulations of NBFCs could change in the future which may require us to restructure our activities, incur additional cost, impose restrictions on banks in relation to the exposure to NBFCs or could otherwise adversely affect our business and our financial performance. The RBI, from time to time, amends the regulatory framework governing NBFCs to address, among others, concerns arising from certain divergent regulatory requirements for banks and NBFCs. The laws and regulations governing the banking and financial services industry in India have become increasingly complex and cover a wide variety of issues, such as interest rates, liquidity, securitisation, investments, ethical issues, money laundering and privacy. In some cases, there are overlapping regulations and enforcement authorities. Moreover, these laws and regulations can be amended, supplemented or changed at any time such that we may be required to restructure our activities and incur additional expenses to comply with such laws and regulations, which could materially and adversely affect our business and our financial performance. Compliance with many of the regulations applicable to our operations in India, including any restrictions on investments, lending and other activities currently being carried out by our

Company, involves a number of risks, particularly in areas where applicable regulations may be subject to varying interpretations. Further, compliance with many of the regulations applicable to our operations may involve significant costs and otherwise may impose restrictions on our operations. If the interpretation of the regulators and authorities varies from our interpretation, we may be subject to penalties and our business could be adversely affected. We are also subject to changes in Indian laws, regulations and accounting principles and practices. There can be no assurance that the laws governing our Company and its operations will not change in the future or that such changes or the interpretation or enforcement of existing and future laws and rules by governmental and regulatory authorities will not adversely affect our business and future financial performance.

42. ***Our insurance coverage may not be adequate to protect us against potential losses. Any liability in excess of our insurance claim could have a material adverse effect on our results of operations and financial position.***

We maintain such insurance coverage that we believe is adequate for our operations. Our insurance policies, however, may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. We cannot, however, assure you that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims or that the insurer will not disclaim coverage as to any future claim.

A successful assertion of one or more large claims against us that exceeds our available insurance coverage or changes in our insurance policies including premium increases or the imposition of a larger deductible or co-insurance requirement could adversely affect our business, financial condition and results of operations. We maintain insurance cover for our free hold real estate and tangible properties and infrastructure at all owned and leased premises which provide insurance cover against loss or damage by fire, earthquake, lightning, riot, strike, storm, flood, explosion, aircraft damage, rock-slide and missile testing. Further we maintain insurance cover for employee fidelity, cash and gold in the office premises and in transit which provides insurance cover against loss or damage by employee theft, burglary, house breaking and hold up. The aggregate insured value covered by the various insurance policies we have subscribed may be less than the replacement cost of all covered property and may not be sufficient to cover all financial losses that we may suffer should a risk materialise. Further, there are many events that could significantly impact our operations, or expose us to third-party liabilities, for which we may not be adequately insured. If we were to incur a significant liability for which we were not fully insured, it could have a material adverse effect on our results of operations and financial position.

43. ***Our internal procedures, on which we rely for obtaining information on our customers and loan collateral, may be deficient and result in business losses.***

We rely on our internal procedures for obtaining information on our customers and loan collateral provided. In the event of lapses or deficiencies in our procedures or in their implementation, we may be subject to business or operational risk. For example, in the event that we unknowingly receive stolen goods as collateral from a customer, the goods can be seized by the authorities. Once seized by the authorities, gold items will be stored in court storage facilities without a surety arrangement unless released to the Company from safe custody, upon a specific order. No recourse will generally be available to the Company in the event of such seizure, except the recovery of the loss from the customer.

44. ***Increase in competition from our peer group in the finance sector may result in reduction of our market share, which in turn may adversely affect our profitability.***

We have been increasingly facing competition from domestic and foreign banks and NBFCs in each of our lines of businesses. Some of our competitors are very aggressive in underwriting credit risk and pricing their products and may have access to funds at a lower cost, wider networks and greater resources than our Company. Our financial condition and results of operations are dependent on our ability to obtain and maintain funds at low costs and to provide prompt and quality services to our customers. If our Company is unable to access funds at a cost comparable to or lower than our competitors, we may not be able to offer loans at competitive interest rates to our customers.

While our Company believes that it has historically been able to offer competitive interest rates on the loans extended to our customers, there can be no assurance that our Company will be able to continue to do so in the future. An increase in competition from our peer group may result in a decline in our market share, which may in turn result in reduced incomes from our operations and may adversely affect our profitability.

45. ***Conflicts of interest may arise out of common business objects shared by our Company and certain other entities***

promoted by our Promoters.

Certain decisions concerning our operations or financial structure may present conflicts of interest among our Promoters, other Shareholders, Directors, executive officers and the holders of equity shares. Our Promoters have interests in other companies and entities that may compete with us, including other companies and partnership firms that conduct businesses with operations that are similar to ours.

Our Promoters and Group entities have interests in the following entities that are engaged in businesses similar to ours and this may result in potential conflicts of interest with the Company.

Companies:

- Muthoot Capital Services Limited;
- Muthoot Housing Finance Company Limited;
- Muthoot Microfin Limited;

Except as disclosed in this Shelf Prospectus, we have not entered into any non-compete agreement with our Promoter and/or such entities promoted by our Promoter. To this extent, we may have a potential conflict of interest between such entities and our Company. Further, there is no requirement or undertaking for our Promoters to conduct or direct any opportunities in the gold loans and/or NBFC business only to or through us. As a result, conflict of interests may arise in allocating or addressing business opportunities and strategies amongst our Company and other entities promoted by our Promoters in circumstances where our interests differ from theirs. In cases of conflict, our Promoters may favour other entities in which our Promoters have an interest, as listed above. There can be no assurance that the interests of our Promoters will be aligned in all cases with the interests of our minority shareholders or the interests of our Company. There can be no assurance that entities promoted by our Promoters will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours.

Commercial transactions in the future between us and related parties could result in conflicting interests. A conflict of interest may occur directly or indirectly between our business and the business of our Promoters which could have an adverse effect on our operations. Conflicts of interest may also arise out of common business objectives shared by us, our Promoters, directors and their related entities. Our Promoters, directors and their related entities may compete with us and have no obligation to direct any opportunities to us. There can be no assurance that these or other conflicts of interest will be resolved in an impartial manner.

46. We may not be able to detect money-laundering and other illegal or improper activities fully or on a timely basis, which could expose us to additional liability and harm our business or reputation.

We are required to comply with applicable anti-money-laundering, anti-terrorism laws and other applicable regulations in India. We, in the course of our operations, run the risk of failing to comply with the prescribed KYC procedures and the consequent risk of fraud and money laundering by dishonest customers despite putting in place systems and controls to prevent the occurrence of these risks. In our pursuit of business, we run the risk of inadvertently offering our financial products and services ignoring customer suitability and appropriateness despite having a Board approved customer suitability policy and associated processes in place. To the extent the Company fails to fully comply with applicable laws and regulations, the relevant government agencies to which the Company reports have the power and authority to impose fines and other penalties. In addition, the Company's business and reputation could suffer if customers use the Company for money-laundering or illegal or improper purposes. Any potential penalties or liabilities imposed by the relevant regulators on such matters may adversely affect the Company's financial condition and results of operations.

47. Any failure by us to identify, manage, complete and integrate acquisitions, divestitures and other significant transactions successfully could adversely affect our results of operations, business prospects and/or cash flows.

Our current business strategy is to leverage on our experience in the gold loans industry and to expand our branch network and increase our gold loan portfolio. We cannot assure you that we will continue to follow these business strategies. In the future, we may decide to diversify into other businesses. We may also explore opportunities for expansion into new geographic markets outside India. We have stated our objectives for raising funds through the Issue and have set forth our strategy for our future business herein. However, depending on prevailing market conditions and other commercial considerations, our business model in the future may change from what is described herein. We cannot assure you that any diversification into other businesses will be beneficial to us. Further, any failure to successfully diversify in new businesses can adversely affect our financial condition.

As part of our business strategy, we may acquire complementary companies or businesses, divest non-core businesses or assets, enter into strategic alliances and joint ventures and make investments to further our business. In order to pursue this strategy successfully, we must identify suitable candidates for and successfully complete such transactions, some of which may be large and complex, and manage the integration of acquired companies or employees. We may not fully realise all of the anticipated benefits of any such transaction within the anticipated timeframe or at all. Any increased or unexpected costs, unanticipated delays or failure to achieve contractual obligations could make such transactions less profitable or unprofitable. Managing business combination and investment transactions requires varying levels of management resources, which may divert our attention from other business operations, may result in significant costs and expenses and charges to earnings. The challenges involved in integration include:

i. combining product offerings and entering into new markets in which we are not experienced;
ii. consolidating and maintaining relationships with customers;
iii. consolidating and rationalising transaction processes and corporate and information technology infrastructure;
iv. integrating employees and managing employee issues;
v. coordinating and combining administrative and other operations and relationships with third parties in accordance with applicable laws and other obligations while maintaining adequate standards, controls and procedures;
vi. achieving savings from infrastructure integration; and
vii. managing other business, infrastructure and operational integration issues.

Any such acquisition may also result in earnings dilution, the amortisation of goodwill and other intangible assets or other charges to operations, any of which could have a material adverse effect on our business, financial condition or results of operations. These acquisitions may give rise to unforeseen contingent risks or latent liabilities relating to these businesses that may only become apparent after the merger or the acquisition is finalised. Such acquisitions could involve numerous additional risks, including, without limitation, difficulties in the assimilation of the operations, products, services and personnel of any acquired company and could disrupt our ongoing business, distract our management and employees and increase our expenses.

In addition, in order to finance an acquisition, we may be required to make additional borrowings or may issue additional Equity Shares, potentially leading to dilution of existing shareholders.

48. We have not entered into any definitive agreements to utilise a substantial portion of the net proceeds of the Issue.

We intend to use the net proceeds for the purposes as identified on page 59 ("*Objects of the Issue*"), the net proceeds shall not be utilized for investment in real estate. Our management will have broad discretion to use the net proceeds and you will be relying on the judgment of our management regarding the application of these net proceeds. Our funding requirements are based on current conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time. Any such change in our plans may require rescheduling of our current plans or discontinuing existing plans and an increase or decrease in the fund requirements for the objects, at the discretion of the management. Pending utilisation for the purposes described above, we intend to temporarily invest the funds in interest bearing liquid instruments including deposits with banks and investments in liquid (not equity) mutual funds. Such investments would be in accordance with the investment policies approved by our Board from time to time.

49. We continue to be controlled by our Promoters and they will continue to have the ability to exercise significant control over us. We cannot assure you that exercise of control by our Promoters will always favour our best interest.

Our Promoters hold 79.68% of our total outstanding paid up Equity Shares as on June 30, 2024. Our Promoters exercise significant control over us, including being able to control the composition of our Board and determine matters requiring shareholder approval or approval of our Board. Our Promoters may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders. By exercising their control, our Promoters could delay, defer or cause a change of our control or a change in our capital structure, delay, defer or cause a merger, consolidation, takeover or other business combination involving us, discourage or encourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us which may not favour our best interest.

50. Our business and activities may be regulated by the Competition Act, 2002.

The Competition Act, 2002 (the "**Competition Act**") seeks to prevent business practices that have a material adverse effect on competition in India. Under the Competition Act, any arrangement, understanding or action in concert between enterprises, whether formal or informal, which causes or is likely to cause a material adverse effect on competition in India is void and attracts substantial monetary penalties. Any agreement that directly or indirectly determines purchase or sale prices, limits or controls production, shares the market by way of geographical area, market, or number of customers in the market is presumed to have a material adverse effect on competition. Provisions of the Competition Act relating to the regulation of certain acquisitions, mergers or amalgamations which have a material adverse effect on competition and regulations with respect to notification requirements for such combinations came into force on June 1, 2011. The effect of the Competition Act on the business environment in India is unclear. If we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the Competition Commission of India, or any adverse publicity that may be generated due to scrutiny or prosecution by the Competition Commission of India, it may have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

51. The bankruptcy code in India may affect our rights to recover loans from borrowers.

The Insolvency and Bankruptcy Code, 2016 ("**Bankruptcy Code**") was notified on August 5, 2016. The Bankruptcy Code offers a uniform and comprehensive insolvency legislation encompassing all companies, partnerships and individuals (other than financial firms). It allows creditors to assess the viability of a debtor as a business decision, and agree upon a plan for its revival or a speedy liquidation. The Bankruptcy Code creates a new institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms, which will facilitate a formal and time-bound insolvency resolution and liquidation process. In case insolvency proceedings are initiated against a debtor to our Company, we may not have complete control over the recovery of amounts due to us. Under the Bankruptcy Code, upon invocation of an insolvency resolution process, a committee of creditors is constituted by the interim resolution professional, wherein each financial creditor is given a voting share proportionate to the debts owed to it. Bankruptcy Code provides a 180-day timeline which may be extended by 90 days when dealing with insolvency resolution applications. Subsequently, the insolvency resolution plan prepared by the insolvency professionals has to be approved by 66% of voting share of financial creditors, which requires sanction by the adjudicating authority and, if rejected, the adjudicating authority will pass an order for liquidation. Any resolution plan approved by committee of creditors is binding upon all creditors, even if they vote against it. In case a liquidation process is opted for, the Bankruptcy Code provides for a fixed order of priority in which proceeds from the sale of the debtor's assets are to be distributed. Before sale proceeds are distributed to a secured creditor, they are to be distributed for the costs of the insolvency resolution and liquidation processes, debts owed to workmen and other employees rank at par with those owed to secured creditors, and thereafter the debts owed to unsecured creditors shall be paid. Further, under this process, dues owed to the Central and State Governments rank at par with those owed to secured creditors for any amount unpaid following the separate enforcement of security interest. Moreover, other secured creditors may decide to opt out of the process, in which case they are permitted to realise their security interests in priority. Accordingly, if the provisions of the Bankruptcy Code are invoked against any of the borrowers of our Company, it may affect our Company's ability to recover our loans from the borrowers and enforcement of our Company's rights will be subject to the Bankruptcy Code.

EXTERNAL RISK FACTORS

Risks Relating to the Indian Economy

52. A slowdown in economic growth in India could cause our business to be adversely affected.

Our results of operations are significantly affected by factors influencing the Indian economy and the global economy in general. Any slowdown in economic growth in India could adversely affect us, including our ability to grow our loan portfolio, the quality of our assets, and our ability to implement our strategy.

Any slowdown in the growth or negative growth of sectors where we have a relatively higher exposure could adversely impact our performance. Any such slowdown, and in particular the financing requirement of our customers could adversely affect our business, prospects, results of operations and financial condition.

53. Political instability or changes in GoI could adversely affect economic conditions in India generally, and consequently, our business in particular.

GoI has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Since 1991, successive governments have pursued policies of economic and financial sector liberalisation and deregulation and encouraged infrastructure projects. There can be no assurance that these liberalized policies will continue in the future as well. A significant change in GoI's policies in the future, particularly in respect of the gold loan NBFCs and the gold loan industry, could affect business and economic conditions in India. This could also adversely affect our business, prospects, results of operations and financial condition.

54. ***We may be adversely affected by increase in taxes and duties.***

Tax and other levies imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, goods and service tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. Taxes and duties, including those taxes and duties on certain types of trade transactions and industries affecting the movement and transportation of goods in India, may affect our business, financial condition and results of operations. There can be no assurance that the current levels of taxes, tariffs and duties will not increase in the future, or that State Governments will not introduce additional levies, each of which may result in increased operating costs and lower income. To the extent additional levies are imposed, there can be no assurance that we will be able to pass such cost increases on to our customers.

55. ***Significant fluctuations in exchange rates between the Rupee and foreign currencies may have an adverse effect on our results of operations.***

Our results of operations may be adversely affected if the Indian rupee fluctuates significantly against foreign currencies or if our hedging strategy is unsuccessful. To the extent that our income and expenditures are not denominated in Indian rupees, despite us entering into foreign exchange hedging contracts from time to time, exchange rate fluctuations could affect the amount of income and expenditure we recognise. In addition, the policies of RBI may also change from time to time, which may limit our ability to hedge our foreign currency exposures adequately.

56. ***Natural calamities could have a negative impact on the Indian economy and could cause our business to be adversely affected.***

India has experienced natural calamities such as earthquakes, tsunami, floods and drought in the recent past. The extent and severity of these natural disasters determine their impact on the Indian economy. In previous years, many parts of India received significantly less than normal rainfall. As a result, the agricultural sector recorded minimal growth. Prolonged spells of below normal rainfall in the country or other natural calamities could have a negative impact on the Indian economy, thereby affecting our business, prospects, results of operations and financial condition.

57. ***If regional hostilities, terrorist attacks or social unrest in India increases, our business could be adversely affected.***

India has from time to time experienced social and civil unrest and hostilities within itself and with neighbouring countries. India has also experienced terrorist attacks in some parts of the country. India has experienced terrorist attacks in some parts of the country, including in July 2011 in Mumbai, India's financial capital, which resulted in the loss of life, property and business These hostilities and tensions and/or the occurrence of terrorist attacks have the potential to cause political or economic instability in India and adversely affect our business and future financial performance. Further, India has also experienced social unrest in some parts of the country. If such tensions occur in other parts of the country, leading to overall political and economic instability, it could have an adverse effect on our business, prospects, results of operations and financial condition. These hostilities and tensions could lead to political or economic instability in India and possible adverse effects on the Issuer's business, its future financial performance and the trading price of the NCDs. Furthermore, India has also experienced social unrest in some parts of the country. If such tensions occur in other parts of the country, leading to overall political and economic instability, it could have an adverse effect on the Issuer's business, future financial performance and the trading price of the NCDs.

58. ***If more stringent labour laws or other industry standards in the jurisdictions in which we operate become applicable to us, our profitability may be adversely affected.***

We are subject to a number of stringent labour laws and restrictive contractual covenants related to levels of employment. India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal, payment of overtime to employees and legislation that imposes financial obligations on employers upon retrenchment. In the future, if we are also required to supply manpower as part of our services, we shall incur additional cost in addition to be exposed to other labour legislation. If labour laws become more stringent or are more strictly enforced, it may become difficult for us to maintain flexible human resource policies, discharge employees or downsize, any of which could adversely affect our business, results of operations, financial condition and cash flows.

59. ***Any downgrading of India's sovereign rating by an international rating agency (ies) may affect our business and our liquidity to a great extent.***

Any adverse revision to India's credit rating for domestic and international debt by international rating agencies may adversely impact our ability to raise additional finances at favourable interest rates and other commercial terms. This could have an adverse effect on our growth, financial performance and our operations. Instances of corruption in India have the potential to discourage investors and derail the growth prospects of the Indian economy. Corruption creates economic and regulatory uncertainty and could have an adverse effect on our business, profitability and results of operations. The Indian economy has had sustained periods of high inflation. Should inflation continue to increase sharply, our profitability and results of operations may be adversely impacted. High rates of inflation in India could increase our employee costs which could have an adverse effect on our profitability and results of operations.

60. ***A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition.***

A decline in India's foreign exchange reserves could impact the valuation of the Rupee and could result in reduced liquidity and higher interest rates which could adversely affect our financial condition.

61. ***Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, may adversely affect our business and financial performance.***

Our business and financial performance could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business.

There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

The application of various Indian tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. If such tax laws, rules and regulations are amended, new adverse laws, rules or regulations are adopted or current laws are interpreted adversely to our interests, the results could increase our tax payments (prospectively or retrospectively) and/or subject us to penalties. Further, changes in capital gains tax or tax on capital market transactions or sale of shares could affect investor returns. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance.

RISKS RELATING TO THE NCDS

62. ***We have not independently verified certain industry data in this Shelf Prospectus.***

We and the Lead Manager have not independently verified the data from industry publications contained herein including the CRISIL Report and although we believe these sources to be reliable, we cannot assure you that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regards to other countries. Unless stated otherwise, macroeconomic and industry data used throughout this Shelf Prospectus has been obtained from the CRISIL Report and from publicly available data prepared by providers of industry information, government sources and multilateral institutions. Therefore, matters relating to India, the Indian economy, as well as NBFCs, the gold loan industry, that are included herein are subject to the caveat that the statistical and other data upon which it is based have not been verified by us and may be incomplete, inaccurate or unreliable. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

63. ***Refusal of listing of any security of our Company during preceding three financial years and current financial year by any of the stock exchanges in India or abroad.***

There has been no refusal of listing of any security of the Issuer during the current financial year and last three financial years prior to the date of this Shelf Prospectus by any Stock Exchange in India or abroad. We may face the risk of refusal of listing by stock exchanges in India or abroad. Such a scenario could impact the liquidity and marketability of the securities. If such securities are not listed, investors may face challenges in buying or selling them at desired prices or times, which could adversely affect their investment strategies and ability to realize returns. Refusal of listing of any security could also affect market perception of the securities issued by our Company, potentially leading to a decrease in confidence of the potential investors and may have a negative impact on market value of securities. Therefore, investors should carefully consider this risk factor and its potential implications before making any investment decisions.

64. ***There is no assurance that the NCDs issued pursuant to the Issue will be listed on BSE in a timely manner.***

In accordance with Indian law and practice, permissions for listing and trading of the NCDs issued pursuant to the Issue will not be granted until after the NCDs have been issued and allotted. While an in-principle approval from the BSE has been obtained prior to filing of the final Prospectus, approval for listing and trading will require all relevant documents to be submitted to BSE. While the Company will use its best efforts to ensure that all steps for completion of the necessary formalities for allotment, listing and commencement of trading at BSE are taken within 6 Working Days of the Issue Closing Date, there can be no assurance that it will be completed in a timely manner. There could be a failure or delay in listing the NCDs on BSE.

We cannot assure you that the monies refundable to you, on account of (a) withdrawal of your applications, (b) withdrawal of the Issue, or (c) failure to obtain the final approval from the BSE for listing of the NCDs, will be refunded to you in a timely manner. We, however, shall refund such monies, without interest, as prescribed under applicable statutory and/or regulatory provisions.

65. ***You may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the NCDs.***

Our ability to pay interest accrued on the NCDs and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors, including our financial condition, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the NCDs and/or the interest accrued thereon in a timely manner, or at all. Although the Company has undertaken to create appropriate security in favour of the Debenture Trustee to the Issue for the Secured NCD Holders on the assets adequate to ensure 100% security cover on the outstanding amounts of the Secured NCDs and interest thereon, the realisable value of the secured assets may be lower than the outstanding principal and/or interest accrued thereon in connection with the Secured NCDs. A failure or delay to recover the expected value from a sale or disposition of the assets charged as security in connection with the Secured NCDs could expose you to a potential loss.

66. ***Changes in interest rates may affect the trading price of the NCDs.***

All securities where a fixed rate of interest is offered, such as the NCDs, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e., when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon rate, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the trading price of the NCDs.

67. ***Any downgrading in credit rating of our NCDs may affect the trading price of our NCDs.***

CRISIL has assigned a rating of "CRISIL AA-/Stable" (pronounced as CRISIL double A minus rating with a Stable outlook) for an amount of ₹ 1,90,000 lakhs of NCDs by CRISIL Ratings Limited vide its letter no. RL/MUFILT/344799/NCD/0624/90732/168550576 dated June 29, 2024, and "CRISIL AA-/Stable" (pronounced as

CRISIL double A minus rating with a Stable outlook) for an amount of ₹ 1,10,000 lakhs of NCDs (of which, ₹ 10,900 lakhs is unutilized) by CRISIL Ratings Limited vide its letter no. RL/MUFILT/344799/NCD/0624/90736/101449972 dated June 29, 2024, along with the rating rationale dated June 28, 2024. We cannot guarantee that these ratings will not be downgraded. These ratings may be suspended, withdrawn or revised at any time. Any revision or downgrading in the credit rating may lower the trading price of the NCDs and may also affect our ability to raise further debt.

68. ***Securities on our Secured NCDs rank as subservient residual charge on the current assets of the Company***

Substantially all of our Company's current assets represented mainly by the gold loan receivables are being used to secure our Company's debt. As on June 30, 2024, our Company's outstanding secured borrowings is ₹ 18,86,230.63 lakhs. The Secured NCDs being issued shall be secured by way of subservient charge with existing secured creditors on all loan receivables and current assets (both present and future) of the company in favour of Debenture Trustee to be held on pari-passu basis among the present and / or future NCD holders, as may be applicable. Residual loan receivables amount available to secure the Secured NCDs are adequate to ensure 100.00% asset cover for the total value of the Secured NCDs. The realizable value of the assets charged as security, when liquidated, may be lower than the outstanding principal and/or interest accrued thereon in connection with the Secured NCDs. A failure or delay in recovering the expected value from a sale or disposition of the assets charged as security in connection with the Secured NCDs could expose you to a potential loss.

69. ***Payments made on the NCDs will be subordinated to certain tax and other liabilities preferred by law.***

The Secured NCDs will be subordinated to certain liabilities preferred by law such as claims of GoI on account of taxes, and certain liabilities incurred in the ordinary course of our transactions. In particular, in the event of bankruptcy, liquidation or winding-up, our assets will be available to pay obligations on the Secured NCDs only after all of those liabilities that rank senior to these Secured NCDs have been paid in accordance with the provisions of the Companies Act. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining, after paying amounts relating to these proceedings, to pay amounts due on the Secured NCDs.

70. ***The Company may raise further borrowings and charge its assets after receipt of necessary consents from its existing lenders.***

The Company may, subject to receipt of all necessary consents from its existing lenders and the Debenture Trustee to the Issue, raise further borrowings and charge its assets. The Company is free to decide the nature of security that may be provided for future borrowings and this may rank *pari passu with similar ranking* with the security created for this Issue. In such a scenario, the NCD Holders will rank *pari passu* with other creditors of similar ranking, after exhausting the first *pari passu* holders' liabilities and to that extent, the amounts recoverable by the NCD Holders upon the Company's bankruptcy, winding-up or liquidation may stand reduced.

71. ***The Issuer, being a NBFC is not required to maintain a debenture redemption reserve ("DRR")***

Pursuant to a Ministry of Corporate Affairs notification dated August 16, 2019 amending Section 71 of the Companies Act, 2013 and Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014, an NBFC is not required to maintain DRR for debentures issued through a public issue. Hence, investors shall not have the benefit of reserve funds to cover the re-payment of the principal and interest on the NCDs.

72. ***There are other lenders and debenture trustees who have pari passu charge over the Security provided.***

There are other lenders and debenture trustees of the Company who have *pari passu* charge over the security provided for the Issue. While the Company is required to maintain security cover of 100% of the outstanding amount of the NCDs and the interest thereon, upon the Company's bankruptcy, winding-up or liquidation, the other lenders and debenture trustees of similar ranking will rank *pari passu* with the secured NCD holders, after exhausting the first *pari passu* holders and to that extent, may reduce the amounts recoverable by the secured NCD holders. Pursuant to the SEBI NCS Regulations, the Company is required to obtain permissions / consents from the prior creditors in favour of the debenture trustee for creation of such similar ranking *pari passu* charge and the same is required to be disclosed. The company has applied for and received consents/permissions from the prior creditors.

73. ***The fund requirement and deployment mentioned in the Objects of the Issue have not been appraised by any bank or financial institution.***

We intend to use the proceeds of the Issue, after meeting the expenditures of and related to the Issue, for the purpose of onward lending, financing and for repayment of interest and principal of existing borrowings of our Company. For further details, see "*Objects of the Issue*" beginning on page 59. The fund requirement and deployment are based on internal management estimates and has not been appraised by any bank or financial institution. The management will have significant flexibility in applying the proceeds received by us from the Issue. Further, according to the provisions of the SEBI NCS Regulations, we are not required to appoint a monitoring agency and therefore no monitoring agency has been appointed for this Issue.

74. There may be no active market for the NCDs on the retail debt market/capital market segment of the BSE. As a result, the liquidity and market prices of the NCDs may fail to develop and may accordingly be adversely affected.

There can be no assurance that an active market for the NCDs will develop. If an active market for the NCDs fails to develop or be sustained, the liquidity and market prices of the NCDs may be adversely affected. The market price of the NCDs would depend on various factors inter alia including (i) the interest rate on similar securities available in the market and the general interest rate scenario in the country, (ii) the market price of our Equity Shares, (iii) the market for listed debt securities, (iv) general economic conditions, and (v) our financial performance, growth prospects and results of operations. The aforementioned factors may adversely affect the liquidity and market price of the NCDs, which may trade at a discount to the price at which you purchase the NCDs and/or be relatively illiquid.

75. The liquidity for the NCDs in the secondary market is very low and it may remain so in the future and the price of the NCDs may be volatile.

The Issue will be a new public issue of NCDs for our Company and the liquidity in NCDs at present is very low in the secondary market. Although an application has been made to list the NCDs on BSE, there can be no assurance that liquidity for the NCDs will improve, and if liquidity for the NCDs were to improve, there is no obligation on us to maintain the secondary market. The liquidity and market prices of the NCDs can be expected to vary with changes in market and economic conditions, our financial condition and prospects and other factors that generally influence market price of NCDs. Such fluctuations may significantly affect the liquidity and market price of the NCDs, which may trade at a discount to the price at which you purchase the NCDs.

SECTION III : INTRODUCTION

GENERAL INFORMATION

Our Company was incorporated on June 10, 1997, as Muthoot Debt Management Services Limited as a public limited company under the provisions of the Companies Act, 1956 and was granted a certificate of incorporation by the RoC *vide* a certificate dated June 10, 1997. The Company received a certificate for commencement of business on June 10, 1997. Subsequently, the name of the Company was changed to Muthoot Fincorp Limited, and a fresh certificate of incorporation dated March 19, 2002 was issued to the Company by the RoC.

The Company was registered as a non-deposit accepting NBFC with the RBI pursuant to the certificate of registration No. N-16.00170 dated July 23, 2002 issued by the RBI under Section 45 IA of the RBI Act.

For further details regarding the Promoter and the group companies please see "*Our Promoters*" at page 158. For further details regarding changes to the name and registered office of our Company, see "*History and Certain Corporate Matters*" on page 130.

Registrar of Companies

Our Company is registered with the Registrar of Companies, Kerala & Lakshadweep, which is situated at the following address:

Registrar Of Companies,
Company Law Bhawan,
BMC Road, Thrikkakara,
Kochi 682 021, Kerala

Registered Office

Muthoot Fincorp Limited
Muthoot Centre,
TC No 27/3022, Punnen Road
Trivandrum 695 001, Kerala
Tel: +91 471 491 1550

Corporate Office

Muthoot Fincorp Limited
Muthoot Centre
Near Spencer Junction, M.G. Road
Trivandrum 695 039, Kerala
Tel: +91 471 491 1430

Website: www.muthootfincorp.com
Email: cs@muthoot.com

For further details regarding changes to our Registered Office, see "*History and Main Objects*" on page 130 of this Shelf Prospectus.

Registration no.: 011518

Corporate Identification Number: U65929KL1997PLC011518

Legal Entity identifier: 335800CBWTUJAMOFVP96

RBI registration number: N-16.00170

PAN: AACCM1453E

Board of Directors

The following table sets out the details regarding the Board of Directors as on the date of this Shelf Prospectus:

Name	Designation	DIN	Address
Thomas John Muthoot	Managing Director	00011618	TC 4/1008, (1), Kawdiar, PO, Trivandrum 695 003, Kerala, India
Thomas George Muthoot	Director	00011552	Muthoot Towers, College Road, P.O. M G Road, Ernakulam 682 035, Kerala, India
Thomas Muthoot	Executive Director and Chief Financial Officer	00082099	7/59 A, Near Kaniyampuzha Bridge Cherukad, Eroor P O, Ernakulam, Kerala, India
Preethi John Muthoot	Director	00483799	TC 4/1008, (1), Kawdiar, PO, Trivandrum 695 003, Kerala, India
Arrattukkulam Peter Kurian	Independent Director	00008022	9, Friendship, 23rd Road, TPS III, Bandra (W), Mumbai 400 050, Maharashtra, India
Vikraman Ampalakkat	Independent Director	01978341	G-3 V B Royal Apartments, Elamakkara Road, Edappally, Kochi, 682 024, Kerala, India
Badal Chandra Das	Independent Director	09758076	Flat No. 1701, 16th Floor, Tower No. 3, Action Area-3, Uniworld City Heights, New Town North 24, Parganas, Kolkata 700156, West Bengal, India
Ravi Ramchandran	Independent Director	10048011	R8 Pine Green CLOVER by the River, River View Road, Kotturpuram, Chennai 600085, Tamil Nadu, India
Anthony Abraham Thomas	Independent Director	07749806	Parinthirickal House, PNRA-G 37, T C X/834, Mannanthala, Thiruvananthapuram, Kerala, India – 695015

For further details of Directors of our Company, please see "*Our Management*" on page 139.

Liability of the members of the Company - Limited by shares

Chief Financial Officer

Mr. Thomas Muthoot
Muthoot Towers, 6th Floor
M.G. Road, Opp. Abad Plaza
Ernakulam 682 035, Kerala
Tel: +91 484 236 6870
Email: tthomas@muthoot.com

Company Secretary and Compliance Officer
Mr. Sachu Sivas
Muthoot Fincorp Limited,
Muthoot Centre,
TC No 27/3022, Punnen Road
Trivandrum – 695 001
Tel: +91 471 491 1621
Email: sachu.sivas@muthoot.com

Investors may contact the Registrar to the Issue or the Compliance Officer in case of any pre- Issue or post Issue related issues such as non-receipt of Allotment Advice, demat credit, or interest on application money etc.

Lead Manager

Nuvama Wealth Management Limited
801-804, Wing A, Building No 3
Inspire BKC, G Block, Bandra Kurla Complex

Bandra East, Mumbai – 400 051
Tel: +91 22 4009 4400
E-mail: mfl.ncd@nuvama.com
Investor Grievance Email: customerservice.mb@nuvama.com
Website: www.nuvama.com
Contact Person: Saili Dave
Compliance Officer: Bhavana Kapadia
SEBI Registration No.: INM000013004
CIN: L67110MH1993PLC344634

Debenture Trustee

Vardhman Trusteeship Private Limited
The capital, A Wing, 412A,
Bandra Kurla Complex,
Bandra (East), Mumbai – 400051
Tel: +91 22 4264 8335/ +91 22 4014 0832
E-mail: compliance@vardhmantrustee.com
Investor Grievance Email: compliance@vardhmantrustee.com
Website: www.vardhmantrustee.com
Contact Person: Rushabh Desai
Compliance Officer: Rushabh Desai
SEBI Registration No.: IND000000611
CIN: U65993WB2010PTC152401

Vardhman Trusteeship Private Limited has pursuant to Regulation 8 of SEBI NCS Regulations, by its letter dated June 12, 2024 given its consent for its appointment as the Debenture Trustee to the Issue and for their name to be included in the Draft Shelf Prospectus, this Shelf Prospectus and the relevant Tranche Prospectus and in all the subsequent periodical communications to be sent to the holders of the NCDs issued pursuant to this Issue.

All the rights and remedies of the NCD Holders under this Issue shall vest in and shall be exercised by the appointed Debenture Trustee for this Issue without having it referred to the NCD Holders. All investors under this Issue are deemed to have irrevocably given their authority and consent to the Debenture Trustee so appointed by our Company for this Issue to act as their trustee and for doing such acts and signing such documents to carry out their duty in such capacity. Any payment by our Company to the NCD Holders/Debenture Trustee, as the case may be, shall, from the time of making such payment, completely and irrevocably discharge our Company pro tanto from any liability to the NCD Holders.

Registrar

Integrated Registry Management Services Private Limited
2nd Floor, Kences Towers
No. 1 Ramakrishna Street
North Usman Road, T. Nagar,
Chennai 600 017, Tamil Nadu
Tel: +91 44 28140801 to 28140803
Fax: +91 44 2814 2479
Email: yuvraj@integratedindia.in
Investor Grievance e-mail: mfinipo@integratedindia.in
Website: www.integratedregistry.in
Contact Person: S Yuvaraj
Compliance Officer: Sriram S
SEBI Registration No.: INR000000544

Integrated Registry Management Services Private Limited, has by its letter dated June 12, 2024 given its consent for its appointment as Registrar to the Issue and for its name to be included in the Draft Shelf Prospectus, this Shelf Prospectus and the relevant Tranche Prospectus and in all the subsequent periodical communications sent to the holders of the

Debentures issued pursuant to the Issue.

Applicants or prospective investors may contact the Registrar to the Issue or the Company Secretary & Compliance Officer in case of any pre-Issue or post-Issue related problems, such as non-receipt of Allotment Advice, demat credit, refunds or transfers, etc. All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, number of NCDs applied for, amount paid on application, Depository Participant ("**DP**") and the collection center of the relevant members of the Designated Intermediaries appointed in relation to the Issue ("**Syndicate**") where the Application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned Designated Intermediary and the relevant Designated Branch of the SCSB in the event of an Application submitted by an Applicant at any of the Syndicate ASBA Centers, giving full details such as name, address of Applicant, Application Form number, number of NCDs applied for and amount blocked on Application.

All grievances arising out of Applications for the NCDs made through the Online Stock Exchanges Mechanism or through Designated Intermediaries of the Stock Exchanges may be addressed directly to the relevant Stock Exchange.

Joint Statutory Auditors

M/s. Krishnan Retna & Associates
201 Block A, Nandini Gardens, Fort,
Thiruvananthapuram, Kerala 695 023
Tel: +91 471 247 6356
Email: trivandrum@krishnanretna.com
Contact Person: Nikhil R. Kumar
Firm Registration No.: 001536S

M/s. Rangamani & Co
Rose Gardens, North of Iron Bridge,
Alappuzha, Kerala 688 011
Tel: +91 477 225 1474
Email: rangamanis@rediffmail.com
Contact Person: Krishnan R
Firm Registration No.: 003052S

M/s Krishnan Retna & Associates and M/s. Rangamani & Co. have been the joint statutory auditors of the Company since March 28, 2022. The members of the Company at the 25th annual general meeting held on September 28, 2022, approved the appointment of said joint statutory auditors for the 2nd and 3rd Term i.e., FY 2022-23 and FY 2023-24 respectively.

Credit Rating Agency

CRISIL
Ratings

CRISIL Ratings Limited
CRISIL House, Central Avenue,
Hiranandani Business Park,
Powai, Mumbai 400076, Maharashtra
Tel: +91 22 3342 3000
Fax: +91 22 3342 3050
Email: crisilratingdesk@crisil.com
Website: www.crisilratings.com
CIN: U67100MH2019PLC326247
Contact Person: Ajit Velonie
SEBI Registration No.: IN/ CRA/ 001/ 1999

Legal Advisor to the Issue

Khaitan & Co.
One World Center
13th Floor, Tower 1C
841 Senapati Bapat Marg
Mumbai 400 013, Maharashtra
Tel: +91 22 6636 5000

Public Issue Account Bank, Sponsor Bank and Refund Bank

As specified in the relevant Tranche Prospectus for each Tranche Issue.

Lead Broker/Consortium Member

As specified in the relevant Tranche Prospectus for each Tranche Issue.

Designated Intermediaries

Self-Certified Syndicate Banks

The banks which are registered with SEBI under Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account, a list of which is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34, as updated from time to time or at such other website as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

In relation to Applications submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Application Forms from the members of the Syndicate is available on the website of the SEBI (http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Syndicate at Specified Locations, see the website of the SEBI http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes as updated from time to time or any such other website as may be prescribed by SEBI from time to time.

SCSBs eligible as issuer banks for UPI Mechanism and eligible mobile applications

In accordance with SEBI Master Circular, UPI Investors making an Application in the Issue using the UPI Mechanism, may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI at www.sebi.gov.in, and updated from time to time.

RTAs / CDPs

The list of the RTAs and CDPs, eligible to accept Applications in the Issue, including details such as postal address, telephone number and email address, are provided on the websites of BSE at http://www.bseindia.com, for RTAs and CDPs, as updated from time to time.

Broker Centres/ Designated CDP Locations/ Designated RTA Locations

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012 and RTA Master Circular and the SEBI Master Circular, Applicants can submit the Application Forms with the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchange at www.bseindia.com. The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who:

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447 of the Companies Act, 2013"

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹10 lakh or 1.00% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹10 lakh or 1.00% of the turnover of the Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹50 lakh or with both.

Minimum Subscription

In terms of the SEBI NCS Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. If our Company does not receive the minimum subscription of 75% of Base Issue Size as specified in the relevant Tranche Prospectus, the entire blocked Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within eight Working Days from the Issue Closing Date or such time as may be specified by SEBI, failing which our Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 and Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription amount was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard included in the SEBI Master Circular.

Underwriting

The Issue is not underwritten.

Arrangers to the Issue

There are no Arrangers to the Issue.

Guarantor to the Issue

There are no guarantors to the Issue.

Expert Opinion

Except the following, our Company has not obtained any expert opinions in connection with this Shelf Prospectus:

The Issuer has received the written consent dated August 23, 2024, from Joint Statutory Auditors of our Company, namely Krishnan Retna & Associates and Rangamani and Co., to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI NCS Regulations, in this Shelf Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Joint Statutory Auditors, and in respect of the (a) Audited Standalone Financial Statement for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022 and Audited Consolidated Financial Statement for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022; (b) limited review report dated August 13, 2024 for the Unaudited Standalone Financial Results of the Company for the quarter ended June 30, 2024; and (c) the statement of possible tax benefits dated August 23, 2024, which appear in this Shelf Prospectus, and such consent has not been withdrawn as on the date of this Shelf Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act, 1993.

Credit Rating and Rationale

The NCDs proposed to be issued under this Issue have been assigned a rating of "CRISIL AA-/Stable" (pronounced as CRISIL double A minus rating with a Stable outlook) for an amount of ₹ 1,90,000 lakhs of NCDs by CRISIL Ratings Limited vide its letter no. RL/MUFILT/344799/NCD/0624/90732/168550576 dated June 29, 2024, and "CRISIL AA-/Stable" (pronounced as CRISIL double A minus rating with a Stable outlook) for an amount of ₹ 1,10,000 lakhs of NCDs (of which, ₹ 10,900 lakhs is unutilized) by CRISIL Ratings Limited vide its letter no. RL/MUFILT/344799/NCD/0624/90736/101449972 dated June 29, 2024, along with the rating rationale dated June 28, 2024. The rating given by CRISIL is valid as on the date of this Shelf Prospectus and shall remain valid on date of issue and Allotment of the NCDs and the listing of the NCDs on BSE. The rating indicates that instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. This rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. This rating is subject to revision or withdrawal at any time by the assigning rating agency and should be evaluated independently of any other ratings. There are no unaccepted ratings and any other ratings other than as specified in this Shelf Prospectus.

The rationale for the aforementioned rating issued on June 28, 2024 by CRISIL Ratings Limited along with the press release has been provided in Annexure A.

Utilisation of Issue proceeds

For details on utilization of Issue proceeds please see "*Objects of the Issue*" on page 59.

Issue Programme

ISSUE PROGRAMME*	
ISSUE OPENS ON	*As specified in the relevant Tranche Prospectus*
ISSUE CLOSES ON	*As specified in the relevant Tranche Prospectus*
PAY IN DATE	Application Date. The entire Application Amount is payable on Application.
DEEMED DATE OF ALLOTMENT	The date on which the Board of Directors or the Stock Allotment Committee authorised by the Board approves the Allotment of the NCDs for the Issue or such date as may be determined by the Board of Directors or the Stock Allotment Committee and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Debenture Holders from the Deemed Date of Allotment.

** The Issue shall remain open for subscription on Working Days from 10 A.M. to 5 P.M. (Indian Standard Time) during banking hours for the period indicated in relevant Tranche Prospectus. Our Company may, in consultation with the Lead Manager, consider closing the Issue on such earlier date or extended date (subject to a minimum period of three working days and a maximum period of 10 working days from the date of opening of the Issue and subject to not exceeding thirty days from filing the relevant tranche prospectus with ROC, including any extensions), as may be decided by the Board of Directors or the Stock Allotment Committee, in accordance with the SEBI NCS Regulations. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in an English daily national newspaper with wide circulation and a regional daily with wide circulation where the registered office of the Company is located (in all the newspapers in which pre-issue advertisement for opening of this Issue has been given on or before such earlier or initial date of Issue closure). On the Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchange. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 p.m. on one Working Day post the relevant Issue Closing Date. For further details please see "General Information" on page 44.*

*Further please note that Application (including Application under the UPI Mechanism) shall be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time, "**IST**") ("**Bidding Period**") during the Issue Period as mentioned above by the (a) by the Designated Intermediaries at the Bidding Centres, or (b) by the SCSBs directly at the Designated Branches of the SCSBs as mentioned on the*

Application Form, except that on the Issue Closing Date when Applications shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and shall be uploaded until 5.00 p.m. (IST) or such extended time as permitted by Stock Exchange(s). Additionally, an Investor may also submit the Application Form through the app or web interface of the Stock Exchange. It is clarified that the Applications not uploaded in the Stock Exchange(s) Platform would be rejected.

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Shelf Prospectus are Indian Standard Time. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time.

Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday). Neither our Company, nor the Lead Manager, nor any Member of the Syndicate, Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations or designated branches of SCSBs nor the Stock Exchange are liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise. Please note that, within each category of investors, the Basis of Allotment under this Issue will be on date priority basis, however, from the date of oversubscription and thereafter, the allotments will be made to the applicants on proportionate basis.

CAPITAL STRUCTURE

Details of share capital

The following table lays down details of our authorised, issued, subscribed and paid-up share capital and securities premium account as on June 30, 2024:

(in ₹)

Share Capital	Amount
Authorised share capital	
22,50,00,000 equity shares of ₹10 each	2,25,00,00,000
20,00,00,000 preference shares of ₹10 each.	2,00,00,00,000
Issued share capital	
19,38,08,702 equity shares of ₹10 each, fully paid up	1,93,80,87,020
15,00,00,000 preference shares of ₹10 each, fully paid up	1,50,00,00,000
Subscribed share capital	
19,37,13,462 equity shares of ₹10 each, fully paid up	1,93,71,34,620
15,00,00,000 preference shares of ₹10 each, fully paid up	1,50,00,00,000
Paid up share capital after the Issue	
19,37,13,462 equity shares of ₹10 each, fully paid up	1,93,71,34,620
15,00,00,000 preference shares of ₹10 each, fully paid up	1,50,00,00,000
Securities Premium Account	381,36,96,180

Note: There will be no change in the capital structure and securities premium account due to the issue and allotment of the NCDs.

Changes in Capital Structure

Details of change in authorized share capital of our Company for last three financial years and the current financial year

There has been no change in authorized share capital of our Company for last three financial years and the current financial year.

Except as mentioned below, there has been no change in the capital structure of our Company for last three financial years and the current financial year:

Preference Share Capital History as on June 30, 2024

Date of Allotment	No. of Preference Shares	Face Value	Issue Price	Consideration (cash, other than cash, etc.)	Nature of Allotment	Cumulative			Remarks
						No. of Preference Shares	Preference Share capital (in ₹)	Preference Shares Premium (in ₹)	
June 7, 2021	15,00,00,000	10	10	150,00,00,000/-	Private Placement	15,00,00,000	150,00,00,000	0	Allotment of CCPS on Private Placement as per approval of members debenture trust deed dated May 28, 2021

Equity Share Capital History as on June 30, 2024

Date of Allotment	No. of Equity Shares	Face Value	Issue Price	Consideration (cash, other than cash, etc.)	Nature of Allotment	Cumulative			Remarks
						No. of equity shares	Equity share capital (in ₹)	Equity Share Premium (in ₹)	
May 24, 2024	7,902	10	100	7,90,200	Further issue of shares under Employee Stock Option Plan (ESOP)	1,93,71,34,62	1,93,71,34,620	3,81,36,96,180	Allotment of equity shares in accordance with Employee Stock Option Plan 2018

Issue of debt securities/borrowings for consideration other than cash

Our Company has not issued any debt securities/borrowings for other than cash in the two years prior to the date of this Shelf Prospectus.

Acquisition or Amalgamation or Reconstruction or Re-organisation in the last one year

There has been no acquisition, amalgamation, reconstruction or re-organisation in the last one year.

Details of change in the promoter holding in our Company during the last financial year beyond 26% (as prescribed by RBI)

Nil.

Shareholding pattern of our Company

The following is the shareholding pattern of our Company, as of June 30, 2024:

Sr. No. (I)	Category of shareholder (II)	Number of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held** (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			
								No of Voting Rights			Total as a % of (A+B+C)
								Class e.g.: x	Class e.g.: y	Total	
								(IX)			(X)
(A)	Promoter & Promoter Group	3	15,43,68,123	Nil	Nil	15,43,68,123	79.69	15,43,68,123	Nil	15,43,68,123	79.69
(B)	Public	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(C)	Non-Promoter–- Non-Public	13	3,93,37,437	Nil	Nil	3,93,37,437	20.31	3,93,37,437	Nil	3,93,37,437	20.31
(C1)	Shares Underlying DRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(C2)	Shares Held by Employee Trust	1	7,902	Nil	Nil	7,902	0.0040	7,902	Nil	7,902	0.0040
	Total	**17**	**19,37,13,462**			**19,37,13,462**	**100.00**	**19,37,13,462**		**19,37,13,462**	**100.00**

*** All the equity shares of the Company are held in dematerialized form.*

Statement of the aggregate number of securities of our Company and its Subsidiaries purchased or sold by our promoter group and by the directors of the company which is a promoter of the issuer company, our directors and/or their relatives within six months immediately preceding the date of filing of the Shelf Prospectus

Nil

Details of holding of Equity Shares by our Directors as on the date of this Shelf Prospectus

For details of shareholding of our Directors in the Company, please see "*Our Management- Shareholding of Directors*" on page 147.

Details of shareholding of our Directors in our Subsidiaries or Associate companies as of date of this Shelf Prospectus

Details of the shares held in the Company by the Directors, as on June 30, 2024 are provided in the table given below. Except as mentioned below, none of the Directors have a shareholding in the Subsidiaries or Associate Companies of our Company.

Sr. No.	Name of Director	Name of the Subsidiary/Associate Company	Number of shares held	Percentage of the total paid-up capital (%)
1.	Thomas John Muthoot	Muthoot Housing Finance Company Limited	42,97,885	5.267
2.	Thomas George Muthoot	Muthoot Housing Finance Company Limited	42,97,890	5.267
3.	Thomas Muthoot	Muthoot Housing Finance Company Limited	42,97,890	5.267
4.	Preethi John Muthoot	Muthoot Housing Finance Company Limited	3,265	0.004
5.	Thomas John Muthoot	Muthoot Pappachan Technologies Limited	3,334	6.67
6.	Thomas George Muthoot	Muthoot Pappachan Technologies Limited	3,333	6.67
7.	Thomas Muthoot	Muthoot Pappachan Technologies Limited	3,333	6.67
8.	Preethi John Muthoot	Muthoot Pappachan Technologies Limited	3,333	6.66
9.	Thomas John Muthoot	Muthoot Microfin Limited	29,82,456	1.75
10.	Thomas George Muthoot	Muthoot Microfin Limited	29,81,749	1.75
11.	Thomas Muthoot	Muthoot Microfin Limited	29,93,935	1.76
12.	Preethi John Muthoot	Muthoot Microfin Limited	3,996	0.00

Top 10 Equity Shareholders of our Company as on June 30, 2024

Sr. No.	Particulars	Total number of Equity Shares	Number of Equity Shares held in dematerialized form	Total shareholding as a % of total number of Equity Shares
1.	Thomas John Muthoot	5,14,56,049	5,14,56,049	26.56
2.	Thomas George Muthoot	5,14,56,021	5,14,56,021	26.56
3.	Thomas Muthoot	5,14,56,053	5,14,56,053	26.56
4.	Preethi John Muthoot	1,29,13,704	1,29,13,704	6.67
5.	Nina George	1,29,13,704	1,29,13,704	6.67
6.	Remmy Thomas	1,29,13,704	1,29,13,704	6.67
7.	Muthooot Exim Private Limited	4,76,200	4,76,200	0.25
8	Muthoot Kuries Private Ltd	1,19,050	1,19,050	0.06
9	Muthoot Fincorp Employee Welfare Trust	7,902	7,902	0.0040
10.	Janamma Thomas	1,039	1,039	0.00053
	Total	**19,37,13,426**	**19,37,13,426**	**100.00**

Top 10 Holders of Non-Convertible Debentures (secured and unsecured) as on June 30, 2024

Sr. No.	Name	Amount (₹ in lakhs)	Category of holder	Face value of holding	Holding as a % of total outstanding nonconvertible securities of the issuer
1.	State Bank of India	30,000.00	Nationalised bank	1,00,000.00	5.94%
2.	Tata Capital Limited	7,182.00	Domestic Corporate Body	1,00,000.00	1.42%
3.	Jm Financial Products Ltd	5,031.03	Domestic Corporate Body	1,000.00	1.00%
4.	Phillip Services India Private Limited	4,641.00	Domestic Corporate Body	1,00,000, 5,00,000 and 10,00,000	0.92%
5.	Indian Inland Mission	2,700.00	Trusts - other	1,00,000.00	0.53%
6.	Royal Sundaram General Insurance Co. Limited	2,220.00	Insurance Company registered with IRDA	1,000.00	0.44%
7.	Muthoot Exim Private Limited	2,194.03	Domestic Corporate Body	1000, 1,00,000 and 5,00,000	0.43%
8.	Muthoot Risk Insurance And Broking Services Private Limited	1,785.00	Corporate Body-Others	1,00,000 and 5,00,000	0.35%
9.	Thomas John Muthoot	1,350.00	Individual	5,00,000 and 10,00,000	0.27%
10.	Acg Associated Capsules Private Limited	1,004.00	Domestic Corporate Body	1,000.00	0.20%
	Total	**58,107.06**			**11.50%**

Debt-Equity ratio

On consolidated basis:

(₹ in lakhs, except Debt/Equity ratio)

Particulars	Pre-Issue as at March 31, 2024	Post Issue as at March 31, 2024
Debt		
Debt Securities and Subordinated Liabilities	5,97,394.00	7,97,394.00
Borrowings (Other than Debt Securities)	24,64,326.19	24,64,326.19
Securitisation Liability	-	-
Interest Payable	50,745.24	50,745.24
Total Debt (A)	31,12,465.43	33,12,465.43
Equity		
Equity Share Capital	19,370.56	19,370.56
Other Equity	5,60,275.17	5,60,275.17
Total Equity (B)	5,79,645.73	5,79,645.73
Debt/ Equity (A/B)*	5.37	5.71

**The debt-equity ratio post Issue in indicative on account of the assumed inflow of ₹ 2,00,000 lakhs from the proposed Issue. The actual debt-equity ratio post the Issue would depend on the actual position of debt and equity on the Deemed Date of Allotment.*

Note:

1. Outstanding liability for Debt Securities and Subordinated Liabilities are net of buyback of secured Non-Convertible Debentures amounting to ₹ Nil lakhs (at face value), held in treasury by the Company.
2. Outstanding liability for Borrowings (Other than Debt Securities) are net of debit balance of Interest payable on term loan of ₹ Nil lakhs.
3. Above outstanding borrowings and securitisation liability are netted off on account of IND-AS adjustment for effective Interest rate on borrowings, debt securities and subordinated liabilities and on Securitization amounting ₹14,111.79 lakhs.

On standalone basis

(₹ in lakhs, except Debt/Equity ratio)

Particulars	Pre-Issue as at June 30, 2024	Post Issue as at June 30, 2024	Pre-Issue as at March 31, 2024	Post Issue as at March 31, 2024
Debt				
Debt Securities and Subordinated Liabilities	5,12,842.69	7,12,842.69	5,01,150.38	7,01,150.38
Borrowings (Other than Debt Securities)	15,95,016.82	15,95,016.82	15,30,597.10	15,30,597.10
Securitisation Liability	-	-	-	-
Interest Payable	45,301.96	45,301.96	44,146.38	44,146.38
Total Debt (A)	**21,53,161.47**	**23,53,161.47**	**20,75,893.86**	**22,75,893.86**
Equity				
Equity Share Capital	19,371.35	19,371.35	19,370.56	19,370.56
Other Equity	4,51,903.45	4,51,903.45	4,06,750.94	4,06,750.94
Total Equity (B)	**4,71,274.8**	**4,71,274.8**	**4,26,121.49**	**4,26,121.49**
Debt/ Equity (A/B)*	**4.57**	**4.99**	**4.87**	**5.34**

**The debt-equity ratio post Issue in indicative on account of the assumed inflow of ₹ 2,00,000 lakhs from the proposed Issue. The actual debt-equity ratio post the Issue would depend on the actual position of debt and equity on the Deemed Date of Allotment.*

Note:

1. Outstanding liability for Debt Securities and Subordinated Liabilities are net of buyback of secured Non-Convertible Debentures amounting to ₹ Nil lakhs (at face value), held in treasury by the Company.
2. Outstanding liability for Borrowings (Other than Debt Securities) are net of debit balance of Interest payable on term loan of ₹ Nil lakhs.
3. Above outstanding borrowings and securitisation liability are netted off on account of IND-AS adjustment for effective Interest rate on borrowings, debt securities and subordinated liabilities and on Securitization amounting ₹8,793.63 lakhs.

Employee Stock Option Scheme

The shareholders of the Company at their meeting held on July 13, 2018, had approved the implementation of "Employees Stock Option Plan 2018" (ESOP) and "Stock Appreciation Rights 2018" (SAR) and empowered the Nomination & Remuneration Committee of the Company for the administration of the said ESOP & SAR Schemes. The Shareholders of the Company at their meeting held on April 24, 2024 approved the extension of benefits under MFL Employee Stock Option Plan 2018 to the employees of subsidiary or holding Companies and also the implementation of the stock option plan through the "Muthoot Fincorp Employee Welfare Trust. Following are the details of the SMPs who have been vested the stock options under this scheme:

Name of SMP	Stock options granted	Stock options vested	Stock options exercised	Total number of shares arising out of exercise of stock options	Stock options lapsed	Exercise price (in ₹)	Total Number
1. Mr. Shaji Varghese, Chief Executive Officer	3,50,000	1,00,000	0	0	0	100	3,50,000
2. Mr. Suresh Kumar Sivaraj, Chief Human Resources Officer	44,714	2,943	0	0	0	100	44,714
3. Mr. Joseph Oommen, Head - Finance & Accounts	47,002	3,400	0	0	0	100	47,002
4. Mr. Ajay Kanal, Head - Operations & Change Management	28,911	1,782	0	0	0	100	28,911

Details on the total outstanding debt of our Company

For details on the total outstanding debt of our Company, please see *"Financial Indebtedness"* on page 164.

OBJECTS OF THE ISSUE

Our Company has filed this Shelf Prospectus for a public issue of secured, redeemable, non-convertible, debentures of face value of ₹ 1000 each ("**NCDs** for an amount aggregating to ₹ 2,00,000 lakhs (the "**Shelf Limit**") ("**Issue**"). The NCDs will be issued in one or more tranches up to the Shelf Limit, on the terms and conditions as set out in the relevant Tranche Prospectus for any Tranche Issue, which should be read together with this Shelf Prospectus and the Shelf Prospectus.

The funds raised through this Issue, after deducting the Issue related expenses to the extent payable by our Company (the "**Net Proceeds**"). The Net Proceeds of the Issue are intended to be utilised by our Company for the following objects (collectively, referred to herein as the "**Objects**") subject to applicable statutory and regulatory requirements:

1. For the purpose of Working Capital - 75% of the amount raised and allotted in the Issue; and
2. For General Corporate Purposes - 25% of the amount raised and allotted in the Issue

The details of the Net Proceeds of the Issue are summarised in the table below:

(₹ in lakhs)

Particulars	Amount
Gross Proceeds of the Issue	As specified in the relevant Tranche Prospectus for each Tranche Issue
Less: Issue Related Expenses*	As specified in the relevant Tranche Prospectus for each Tranche Issue
Net Proceeds of the Issue	As specified in the relevant Tranche Prospectus for each Tranche Issue

**The above Issue related expenses are indicative and are subject to change depending on the actual level of subscription to the Issue, the number of allottees, market conditions and other relevant factors.*

The main objects clause of the Memorandum of Association permits the Company to undertake its existing activities as well as the activities for which the funds are being raised through the Issue.

Requirement of funds and Utilisation of Net Proceeds

The following table details the objects of the Issue and the amount proposed to be financed from the Net Proceeds:

Sr. No.	Objects of the Fresh Issue	Percentage of amount proposed to be financed from Net Issue Proceeds
1.	For the purpose of onward lending, financing, and for repayment/ prepayment of interest and principal of existing borrowings of our Company#	At least 75%
2.	General corporate purposes*	up to 25%
	Total	**100%**

#The Company shall not utilize the proceeds of this Issue towards payment of prepayment penalty, if any
**The Net Proceeds will be first utilized towards the Objects mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the gross proceeds, in compliance with the SEBI NCS Regulations.*

The main objects clause of the Memorandum of Association permits the Company to undertake its existing activities as well as the activities for which the funds are being raised through the Issue.

Funding plan

Not Applicable

Summary of the project appraisal report

Not Applicable

Schedule of implementation of the project

Not Applicable

Interests of Directors/Promoters

No part of the proceeds from this Issue will be paid by us as consideration to our Promoter, our Directors, Key Managerial Personnel, or companies promoted by our Promoter except in ordinary course of business.

Interim use of Proceeds

Our Management, in accordance with the policies formulated by it from time to time, will have flexibility in deploying the proceeds received from the Issue. Pending utilization of the proceeds out of the Issue for the purposes described above, our Company intends to temporarily invest funds in high-quality interest-bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade interest bearing securities as may be approved by the Board. Such investment would be in accordance with the investment policies approved by the Board or any committee thereof from time to time.

Issue Expenses

The expenses for this Issue include, inter alia, lead management fees and selling commission to the Lead Manager, Consortium Members and intermediaries as provided for in the SEBI Master Circular, fees payable to debenture trustees, the Registrar to the Issue, SCSBs' commission/ fees, printing and distribution expenses, legal fees, advertisement expenses, listing fees and any other expense directly related to the Issue. The Issue expenses and listing fees will be paid by our Company.

The estimated breakdown of the total expenses for this Issue and the timeline for such payment for this Issue shall be as specified in the relevant Tranche Prospectus.

Monitoring of Utilisation of Funds

There is no requirement for appointment of a monitoring agency in terms of the SEBI NCS Regulations. The Board shall monitor the utilization of the proceeds of the Issue. For the relevant Fiscals commencing from Fiscal 2025, our Company will disclose in our financial statements, the utilisation of the Net Proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilised thereby also indicating investments, if any, of such unutilised proceeds of the Issue. Our Company shall utilise the proceeds of the Issue only upon the execution of the documents for creation of security and receipt of final listing and trading approval from the Stock Exchange.

For more information, see "*Terms of the Issue –Monitoring & Reporting of Utilisation of Issue Proceeds*" on page 297.

Other Confirmation

In accordance with the SEBI NCS Regulations, our Company will not utilize the proceeds of the Issue for providing loans to or for acquisition of shares of any person who is a part of the same group as our Company or who is under the same management of our Company.

No part of the proceeds from this Issue will be paid by us as consideration to our Promoter, our Directors, Key Managerial Personnel, or companies promoted by our Promoter except in the usual course of business.

The Issue proceeds shall not be used for buying, trading or otherwise dealing in equity shares of any other listed company.

The Issue Proceeds from NCDs allotted to Banks will not be utilized for any purpose which may be in contravention of the RBI guidelines on bank financing to NBFCs including those relating to classification as capital market exposure or any other sectors that are prohibited under the RBI Regulations.

Our Company confirms that it will not use the proceeds of the Issue for the purchase of any business or in the purchase of any interest in any business whereby our Company shall become entitled to the capital or profit or losses or both in such business exceeding 50% thereof, the acquisition of any immovable property or acquisition of securities of any other body corporate.

All monies received out of the Issue shall be credited/ transferred to a separate bank account maintained with a Scheduled Bank as referred to in section 40(3) of the Companies Act 2013.

Details of all monies utilised out of the Issue referred above shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies have been utilised along with details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue.

Details of all unutilised monies out of the Issue, if any, shall be disclosed under an appropriate separate head in our balance sheet indicating the form in which such unutilised monies have been invested.

We shall utilize the Issue proceeds only upon (i) receipt of minimum subscription, i.e., 75% of the Base Issue Size pertaining to each Tranche Issue; (ii) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (iii) creation of security; (iv) obtaining requisite permissions or consents for creation of pari passu charge over assets sought to be provided as Security; (v) obtaining listing and trading approval as stated in this Shelf Prospectus in the section titled "*Issue Related Information*" beginning on page 274.

No benefit/interest will accrue to our Promoters/ Directors out of the proceeds of the Issue.

The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any immovable property.

Details of all utilized and unutilized monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized and the securities or other forms of financial assets in which such unutilized monies have been invested.

Variation in terms of contract or objects in this Shelf Prospectus

Our Company shall not, in terms of Section 27 of the Companies Act 2013, at any time, vary the terms of a contract referred to in this Shelf Prospectus or objects for which this Shelf Prospectus is issued, except subject to the approval of, or except subject to an authority given by the shareholders in general meeting by way of special resolution and after abiding by all the formalities prescribed in Section 27 of the Companies Act, 2013.

STATEMENT OF POSSIBLE TAX BENEFITS

The Board of Directors
Muthoot Fincorp Limited
Muthoot Centre,
Punnen Road,
Trivandrum - 695001
Kerala, India

Sub: Proposed public issue by Muthoot Fincorp Limited (the "Company" or the "Issuer") of secured, redeemable non-convertible debentures of face value of ₹ 1,000 each (the "NCDs") for an amount aggregating up to ₹ 2,00,000 lakhs (the "Shelf Limit") (the "Issue"). The NCDs will be issued in one or more tranches up to the Shelf Limit, on terms and conditions as set out in separate Tranche Prospectus(es) for each Tranche Issue.

This certificate is issued in accordance with the terms of our engagement letter dated July 15, 2024.

The accompanying note prepared by the Company, discusses the special tax provisions applicable to the Potential Debenture holders ("**Investors**") subscribing in the NCDs of **Muthoot Fincorp Limited** (the "**Company**") in Annexure A (hereinafter referred to as "**Statement of Possible Tax Benefits/Statement**"), under the Income-tax Act, 1961 (read with Income Tax Rules, circulars, notifications) as amended by the Finance Act, 2024 (hereinafter referred to as the "**IT Act**") in connection with the offering.

Management's Responsibility

The preparation of this Statement as of the date of our certificate which is to be included in the shelf prospectus dated August 23, 2024 (the "**Shelf Prospectus**") and the tranche I prospectus dated August 23, 2024 ("**Tranche I Prospectus**") proposed to be filed by the Company with Registrar of Companies, Kerala and Lakshadweep ("**RoC**"), BSE Limited (the "**Stock Exchange**") and with the Securities and Exchange Board of India ("**SEBI**"), in relation to the Issue ("**Offer Documents**") is the responsibility of the management of the Company.

This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Our Responsibility

Our responsibility is to examine whether the Statement prepared by the Company, in all material respects, is in accordance with applicable provision of the IT Act. For this purpose, we have read the statement of possible tax benefits as given in Annexure I, and evaluated with reference to the provisions of the IT Act to confirm that statements made are correct in all material respect.

We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information. The benefits discussed in the enclosed Annexure I are not exhaustive. Several of these benefits are dependent on the Investors fulfilling the conditions prescribed under the relevant tax laws. Therefore, the ability of Investors to derive the tax benefits is dependent on fulfilling such conditions.

The statement is only intended to provide general information and is neither designed nor intended to be a substitute for the professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to specific tax implications arising out of their participation. Neither are we suggesting nor advising the investor to invest money based on this statement.

We do not express any opinion or provide any assurance as to whether:

i) Debenture holders of the Company will continue to obtain these benefits in future;

ii) the conditions prescribed for availing the benefits have been/would be met with; and

iii) the revenue authorities/ Courts will concur with the views expressed herein.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. We have relied upon the information and documents of the Company being true, correct and complete and have not audited or tested them. Our view, under no circumstances, is to be considered as an audit opinion under any regulation or law. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein.

Our views are based on existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume any responsibility to update the views consequent to such changes.

In our opinion, the Statement of Possible Tax Benefits prepared by the Company as set out in Annexure I materially covers all tax benefits available as at the date of our report to Debenture Holders, in accordance with provisions of the IT Act as amended.

Restriction on Use

We hereby consent to inclusion of the extracts of this certificate in the Shelf Prospectus and/or any other document in relation to the Issue, and is not to be used, referred to or distributed for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. Any subsequent amendment / modification to provisions of the applicable laws may have an impact on the views contained in our statement. While reasonable care has been taken in the preparation of this certificate, we accept no responsibility for any errors or omissions therein or for any loss sustained by any person who relies on it.

For **Krishnan Retna & Associates** *Chartered Accountants* Firm Registration No: 001536 S Peer Review No.: 015229 UDIN: 242311628KESWV9268 **Nikhil R Kumar** Partner Membership No: 231162 Place: Trivandrum	For **Rangamani & Co**, *Chartered Accountants* Firm Registration No: 003052 S Peer Review No.: 014457 UDIN: 24025927BKCRNK7369 **Krishnan R** Partner Membership No: 025927 Place: Alleppey

Date: August 23, 2024

Encl: Statement

Annexure I

STATEMENT OF POSSIBLE TAX BENEFITS UNDER THE INCOME TAX ACT, 1961 AVAILABLE TO THE DEBENTURE HOLDER(S)

The following tax benefits will be available to the debenture holders of the Company ("Debenture Holder") as per the existing provisions of law. The tax benefits are given as per the prevailing tax laws under the provisions of the IT Act, as on date, taking into account the amendments made by the Finance Act, 2024, and may vary from time to time in accordance with amendments to the law or enactments thereto. The Debenture Holder is advised to consider the tax implications in respect of subscription to the Debentures after consulting his tax advisor as alternate views are possible.

IMPLICATIONS UNDER THE INCOME TAX ACT, 1961:

I. TO THE RESIDENT DEBENTURE HOLDER

A. In Respect of Interest on Debentures (NCDs)

1. Interest on NCD received by Debenture Holders would be subject to income tax at the normal rates of tax in accordance with and subject to the provisions of the IT Act. Interest will be assessed to Income tax on receipt basis or mercantile basis (accrual basis) depending on the method of accounting regularly employed by the NCD holder under Section 145 of the IT Act.
2. Income Tax is deductible at source at the rate of 10% on interest on debentures held by resident Indians as per the provisions of Section 193 of the IT Act (in case where interest is paid to Individual or HUF, no TDS will be deducted where interest paid is less than 5,000 and interest is paid by way of account payee cheque).

   Further, Tax will be deducted at source at reduced rate, or no tax will be deducted at source in the following cases:

   a) When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture holder justifies no/lower deduction of tax at source as per the provisions of Section 197(1) of the IT Act; and that a valid certificate is filed with the Company before the prescribed date of closure of books for payment of debenture interest;

   b) When the resident Debenture Holder with Permanent Account Number ('PAN') (not being a company or a firm) submits a declaration as per the provisions of section 197A(1A) of the IT Act in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be NIL. However, as per section 197A(1B) of the IT Act, Form 15G cannot be submitted nor considered for exemption from tax deduction at source if income in the nature referred to in sections 194, 194EE, 192A, 193, 194A, 194D, 194DA, 194I or 194K as the case may be or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the financial year in which such income is to be included exceeds the maximum amount which is not chargeable to income tax;

   c) Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form 15H for non-deduction of tax at source in accordance with the provisions of section 197A(1C) of the Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on the estimated total income of the year concerned will be NIL; and

   d) In all other situations, tax would be deducted at source as per prevailing provisions of the IT Act. Please find below the class of resident investors and respective documents that would be required for granting TDS exemption:

Sl. No.	Class of Investors	Relevant Section which grants TDS exemption	Documents to be taken on record from Investors
1	Resident Individual or resident HUF	Claiming non-deduction or lower deduction of tax at source under section 193 of the IT Act, 1961	Form No.15G with PAN / Form No.15H with PAN / Certificate issued u/s 197(1) has to be filed with the Company. However, in case of NCD Holders claiming non-deduction or lower deduction of tax at source, as the case may be, the NCD Holder should furnish either a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by individuals who are of the age of 60 years or more, (ii) Form 15G which can be given by all applicants (other than individuals of the age of 60 years or more, companies, and firms), or (iii) a certificate, from the Assessing Officer which can be obtained by all applicants (including companies and firms) by making an application in the prescribed form i.e. Form No.13.
2	Life insurance Corporation of India	Clause vi of Proviso to Section 193	Copy of Registration certificate
3	a. General Insurance Corporation of India, b. 4 companies formed under section 16(1) of General Insurance Business Act, 1972 and c. any company in which GIC and aforesaid 4 companies has full beneficial interest (100% shareholding)	Clause vii of Proviso to Section 193	a. Copy of Registration certificate b. Copy of Registration certificate c. Copy of shareholding pattern
4	Any Insurer (like SBI Life Insurance, Max Life Insurance etc.)	Clause viii of Proviso to Section 193	Copy of Registration certificate issued by IRDA
5	Mutual Funds	Section 196(iv) read with Section 10(23D)	Copy of Registration certificate issued by SEBI / RBI and notification issued by Central Government
6	Government, RBI and corporation established under Central / State Act whose income is exempt from tax	Section 196(i),(ii) and (iii)	In case of Corporation, Declaration that their income is exempt from tax with applicable provisions
7	Recognized Provident Funds, Recognized Gratuity Funds, Approved Superannuation Funds,Employees' State Insurance Fund etc.	Section 10(25) and 10(25A) and CBDT Circular - 18/2017	Copy of Registration and Recognition certificate issued by relevant statutory authorities and income-tax authorities and Declaration from the funds that there income is exempt u/s 10(25) and 10(25A)
8	New Pension System Trust	Section 197A(1E)	Relevant Registration certificate issued to NPS Trust under section Indian Trusts Act, 1882

9	Other entities like Local authority, Regimental Funds, IRDA etc.	Section 10(20) etc. read with CBDT Circular - 18/2017	Declaration that they fall within the relevant income-tax section and eligible for income-tax exemption on their income
10	Alternative Investment Funds (Category I and II)	Section 197A(1F)	Copy of Registration certificate issued by SEBI

B. <u>In respect of Capital Gains</u>

1. Long Term Capital Gain

Under Section 2(29AA) read with section 2(42A) of the IT Act, listed Debentures held as Capital Asset as defined under section 2(14) of the IT Act is treated as long term capital asset if it is held for more than 12 months. Debentures held as capital asset for a period of 12 Months or less will be treated as short term capital asset.

Long Term Capital Gain for listed debentures will be chargeable to tax under Section 112 of the IT Act at the rate of 12.50% (plus applicable surcharge and education cess). No indexation benefit is available for debentures.

In case of an individual or HUF, being a resident, where the total income as reduced by such long-term capital gains is below the maximum amount which is not chargeable to income-tax, then, such long-term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and the tax on the balance of such long-term capital gains shall be computed at the rate mentioned above.

2. Short Term Capital Gains

Listed Debentures held as capital asset under Section 2(14) of the IT Act for a period of not more than 12 months would be treated as Short term capital asset under Section 2(42A) of the IT Act. Short Term Capital Gains on transfer of NCD will be taxed at the normal rates of tax in accordance with the provisions of the IT Act. The provisions relating to maximum amount not chargeable to tax would apply to short term capital gains.

3. Capital Loss on transfer of Debentures.

As per Section 74 of the IT Act, short-term capital loss on transfer of debentures suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any could be carried forward for eight years for claiming set-off against subsequent years' short term as well as long-term capital gains. Long-term capital loss on debentures suffered during the year is allowed to be set-off only against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent year's long-term capital gains.

4. Exemption available for Individuals and HUF for Long Term Capital gains u/s 54F, 54EE of the IT Act.

As per the provisions of Section 54F of the IT Act, any long-term capital gains on transfer of a long term capital asset arising to a Debenture Holder who is an individual or Hindu Undivided Family, is exempt from tax if the entire net sales consideration is utilized, within a period of one year before, or two years after the date of transfer, in purchase of a new residential house in India, or for construction of residential house in India within three years from the date of transfer subject to conditions. If part of such net sales consideration is invested within the prescribed period in a residential house, then such gains would be chargeable to tax on a proportionate basis. This exemption is available, subject to the conditions stated in Section 54F.

Under section 54EE of the IT Act, long term capital gains arising to the Debenture Holder(s) on transfer of debentures in the company shall not be chargeable to tax to the extent such capital gains are invested in long term specified asset (a unit or units issued before 01.04.2019) as notified by Central Government within six months after the date of transfer. If only part of the capital gain is so invested, the exemption shall be proportionately reduced. However, if the said notified bonds are transferred or converted into money within a period of three years from their date of acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the bonds are transferred or converted into money. However, the exemption is subject to a limit of investment of INR 50 lacs during any financial year in the notified bonds. Where the benefit of Section 54EE of the IT Act has been availed of on investments in the notified bonds, a deduction from the income with reference to such cost shall not be allowed under section 80C of the Act.

If the long term specified asset in which the investment has been made is transferred within a period of three years from the date of its acquisition, the amount of capital gains tax claimed earlier would became chargeable to tax as capital gains in the year in which such long term specified asset is transferred. Specified Asset means a unit or units, issued before the 1st day of April, 2019, of such fund as may be notified by the Central Government in this behalf.

C. <u>In respect of Business Income</u>

In case the Debentures are held as stock in trade by the debenture holder, the income/loss from transfer of debentures would be taxed as Income from Business. Such income is to be computed in accordance with the Income Computation and Disclosure Standard VIII, which is notified by the Ministry of Finance, Government of India under Section 145(2) of the IT Act. Where debentures are held as stock in trade and unpaid interest has accrued before acquisition of Debentures and is included in the price paid for the Debentures, subsequent receipt of interest is to be allocated between pre-acquisition and post-acquisition periods, the pre-acquisition portion of the interest is reduced from the actual cost and is to be treated as interest. In the case of Debentures held by Scheduled Bank and Public Financial Institutions, income is to be recognized in accordance with the guidelines issued by the Reserve Bank of India in this regard.

D. <u>Debentures received as gift without consideration or inadequate consideration.</u>

As per section 56(2)(x) of the IT Act, except in cases which are specifically exempted under this clause (such as gift received from relative as defined under the section), where the debentures are received without consideration where the aggregate market value of all gifts received exceeds Rs. 50,000/- the aggregate market value of the debentures shall be taxable as income in the hands of the recipient. Similarly, if debentures are received for inadequate consideration, the shortfall in the consideration will be treated as income of the recipient subject to the provisions contained in section 56(2)(x) of the IT Act. There is no gift tax for the donor of the Debentures.

II. TO THE NON-RESIDENT DEBENTURE HOLDER

1. A Non – Resident Indian has an option to be governed by Chapter XII – A of the IT Act, subject to the provisions contained therein which are given in brief as under:

   a. As per Section 115E of the IT Act, interest income from debentures acquired or purchased with or subscribed to in convertible foreign exchange will be taxable at 20% (plus applicable surcharge and cess), whereas long term capital gains on transfer of such Debentures will be taxable at 12.50% (plus applicable surcharge and cess) of such capital gains without indexation of cost of acquisition. Short-term capital gains will be taxable at the normal rates of tax in accordance with and subject to the provisions contained therein.

   b. As per Section 115G of the IT Act, it shall not be necessary for a non-resident Indian to file a return of income under Section 139(1) of the IT Act, if his total income consists only of investment income as defined under Section 115C and/or long term capital gains earned on transfer of such investment acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII- B of the IT Act in accordance with and subject to the provisions contained therein.

   c. As per Section 115D (1) of the IT Act no deduction in respect of any expenditure or allowance shall be allowed under any provisions of the IT Act in the computation of investment income of a non-resident Indian under Chapter XII – A of the IT Act.

   d. In accordance with and subject to the provisions of Section 115-I of the IT Act, a Non-Resident Indian may opt not to be governed by the provisions of Chapter XII – A of the IT Act. In such a case, long term capital gains on transfer of listed debentures would be subject to tax at the rate of 10% computed without indexation.

   e. Interest income and Short – term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months preceding the date of transfer, would be taxed at the normal rates of tax in accordance with and subject to the provisions of the IT Act.

   f. Where debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the IT Act.

   g. Under Section 195 of the IT Act, the applicable rate of tax deduction at source is 20% on investment income and

10% on any long-term capital gains as per Section 115E, and 30% for Short Term Capital Gains if the payee debenture Holder is a Non Resident Indian.

h. The income tax deducted shall be increased by applicable surcharge and health and education cess.

As per Section 74 of the IT Act, short-term capital loss on transfer of debentures suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any could be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long-term capital gains. Long-term capital loss on debentures suffered during the year is allowed to be set-off only against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent year's long-term capital gains.

As per Section 90(2) of the IT Act read with the Circular No. 728 dated October 30, 1995 issued by the Central Board of Direct Taxes, in the case of a remittance to a country with which a Double Tax Avoidance Agreement (DTAA) is in force, the tax should be deducted at the rate provided in the Finance Act of the relevant year or at the rate provided in the DTAA, whichever is more beneficial to the assessee. However, submission of tax residency certificate (TRC), is a mandatory condition for availing benefits under any DTAA. If the tax residency certificate does not contain the prescribed particulars as per CBDT Notification 57/2013 dated August 1, 2013, a self-declaration in Form 10F would need to be provided by the assessee along with TRC.

i. Alternatively, to avail lower deduction or non deduction of tax at source, as the case may be, the Debenture Holder should furnish a certificate under Section 195(2) and 195(3) of the IT Act, from the Assessing Officer before the prescribed date of closure of books for payment of debenture interest.

j. In case the Debentures are held as stock in trade by the debenture holder, the income/loss from transfer of debentures would be taxed as Income from Business. Such income is to be computed in accordance with the Income Computation and Disclosure Standard VIII which is notified by the Ministry of Finance, Government of India under Section 145(2) of the IT Act. Where debentures are held as stock in trade and unpaid interest has accrued before acquisition of Debentures and is included in the price paid for the Debentures, subsequent receipt of interest is to be allocated between pre-acquisition and post-acquisition periods, the pre-acquisition portion of the interest is reduced from the actual cost and is to be treated as interest. In the case of Debentures held by Scheduled Bank, income is to be recognized in accordance with the guidelines issued by the Reserve Bank of India in this regard.

k. As per section 56(2)(x) of the IT Act, except in cases which are specifically exempted under this clause (such as gift received from relative as defined under the section), where the debentures are received without consideration where the aggregate market value of all gifts received exceeds Rs. 50,000/- the aggregate market value of the debentures shall be taxable as income in the hands of the recipient. Similarly, if debentures are received for inadequate consideration, the shortfall in the consideration will be treated as income of the recipient subject to the provisions contained in section 56(2)(x) of the IT Act. There is no gift tax for the Donor of the Debentures.

l. As per the provisions of Section 54F of the IT Act, any long-term capital gains on transfer of a long term capital asset arising to a Debenture Holder who is an individual or Hindu Undivided Family, is exempt from tax if the entire net sales consideration is utilized, within a period of one year before, or two years after the date of transfer, in purchase of a new residential house in India, or for construction of residential house in India within three years from the date of transfer subject to conditions. If part of such net sales consideration is invested within the prescribed period in a residential house, then such gains would be chargeable to tax on a proportionate basis. This exemption is available, subject to the conditions stated therein.

III. TO THE FOREIGN INSTITUTIONAL INVESTORS/ FOREIGN PORTFOLIO INVESTORS (FIIs/ FPIs)

1. As per Section 2(14)(b) of the IT Act, any securities held by FIIs which has invested in such securities in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992, shall be treated as capital assets. Accordingly, any gains arising from transfer of such securities shall be chargeable to tax in the hands of FIIs as capital gains.

2. In accordance with and subject to the provisions of Section 115AD of the IT Act, long term capital gains on transfer of debentures by FIIs are taxable at 10% (plus applicable surcharge and cess) and short-term capital gains are taxable at 30% (plus applicable surcharge and cess). The benefit of cost indexation will not be available. Further, benefit of provisions of the first proviso of Section 48 of the IT Act will not apply.

3. Interest on NCD may be eligible for concessional tax rate of 5% (plus applicable surcharge and health and education cess) for interest referred under Section 194LD.

4. Further, in case where section 194LD is not applicable, the interest income earned by FIIs/FPIs should be chargeable to tax at the rate of 20% under section 115AD of the IT Act. Tax shall be deducted u/s. 196D of the IT Act on such income at 20%. Where DTAA is applicable to the payee, the rate of tax deduction shall be lower of rate as per DTAA or 20%, subject to the conditions prescribed therein.

5. Section 194LD in the IT Act provides for lower rate of withholding tax at the rate of 5% on payment by way of interest paid by an Indian Company to FIIs and Qualified Foreign Investor in respect of rupee denominated bond of an Indian Company between June 1, 2013 and July 1, 2023 provided such rate does not exceed the rate as may be notified by the Government. Given that there has not been any extension beyond July, 2023, interest paid on or after 1 July 2023 shall be subject to tax at the rate of 20% (excluding applicable surcharge and cess) subject to availability of DTAA benefits.

6. The income tax deducted shall be increased by applicable surcharge and health and education cess.

7. In accordance with and subject to the provisions of Section 196D(2) of the IT Act, no deduction of tax at source is applicable in respect of capital gains arising on the transfer of debentures by FIIs referred to in section 115AD.

8. The CBDT has issued a Notification No. 9 dated 22 January 2014 which provides that Foreign Portfolio Investors (FPI) registered under SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be treated as FII for the purpose of Section 115AD of the IT Act.

IV. MUTUAL FUNDS

All mutual funds registered under Securities and Exchange Board of India or set up by public sector banks or public financial institutions or authorized by the Reserve Bank of India are exempt from tax on all their income, including income from investment in Debentures under the provisions of Section 10 (23D) of the IT Act in accordance with the provisions contained therein. Further, as per the provisions of section 196 of the IT Act, no deduction of tax shall be made by any person from any sums payable to mutual funds specified under Section 10(23D) of the IT Act, where such sum is payable to it by way of interest or dividend in respect of any securities or shares owned by it or in which it has full beneficial interest, or any other income accruing or arising to it.

V. TO SPECIFIED FUNDS (“SPECIFIED FUND” AS DEFINED UNDER SECTION 10(4D) OF THE IT ACT)

The income of Specified Funds is taxable for the year beginning April 1, 2020, to the extent attributable to units held by non-resident (not being a permanent establishment of a non-resident in India), and in accordance with and subject to the provisions of Section 115AD of the IT Act, as under:

a) The interest income earned are chargeable to tax at the rate of 10%;
b) long term capital gains on transfer of debentures to the specified extent are taxable at 10% (benefit of provisions of the first proviso of section 48 of the IT Act will not apply); and

c) Short-term capital gains are taxable at 30%.

Further, where any income in respect of NCD is payable to Specified Funds, tax shall be deducted at the rate of 10% on the income other than exempt under section 10(4D) with effect from November 1, 2020 as per Section 196D of the IT Act.

The income tax deducted shall be increased by applicable surcharge and health and education cess.

VI. REQUIREMENTS TO FURNISH PAN/FILING OF RETURNS UNDER THE IT ACT

1. **SEC. 139A (5A):**
Section 139A (5A) requires every person from whom income tax has been deducted at source under chapter XVII – B of the IT Act to furnish his PAN to the person responsible for deduction of tax at source.

2. **SEC. 139AA:**
Section 139AA of the Income Tax Act provides that every individual who has been allotted a permanent account number (PAN) as on the 1st day of July, 2017, and who is eligible to obtain an Aadhaar number, shall intimate

his Aadhaar number in the prescribed form and manner. In case of failure to link Aadhaar with PAN, the permanent account number allotted to the person shall be made inoperative after the prescribed date.

3. **SEC. 206AA:**
a) Section 206AA of the IT Act requires every person entitled to receive any sum, on which tax is deductible under Chapter XVIIB ('deductee') to furnish his PAN to the deductor, failing which tax shall be deducted at the higher of the following rates:
(i) at the rate specified in the relevant provision of the IT Act; or
(ii) at the rate or rates in force; or
(iii) at the rate of twenty per cent.

b) A declaration under Section 197A (1) or 197A (1A) or 197A (1C) shall not be valid unless the person furnishes his PAN in such declaration and the deductor is required to deduct tax as per Para (a) above in such a case.

c) Where a wrong PAN is provided, it will be regarded as non-furnishing of PAN and Para (a) above will apply.

d) As per Rule 37BC, the higher rate under section 206AA shall not apply to a non resident, not being a company, or to a foreign company, in respect of payment of interest, if the non-resident deductee furnishes the prescribed details inter alia TRC and Tax Identification Number (TIN).

4. **SEC. 206AB**
Further, the Finance Act, 2021 inserted new section for punitive withholding tax rate for non-filers of return of income with effect from 1 July 2021 as per which payments made to the specified persons will be subject to TDS at higher of twice the applicable rate or 5% in respect of all TDS/TCS provisions except for specific exclusions.

NOTES FORMING PART OF STATEMENT OF TAX BENEFITS

1. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of debenture/bonds.

2. The above statement covers only certain relevant benefits under the IT Act and does not cover benefits under any other law.

3. The above statement of possible tax benefits is as per the current direct tax laws relevant for the Assessment Year 2025-2026 (Financial year 2024-25) and taking into account the amendments made by the Finance Act, 2023.

4. This statement is intended only to provide general information to the Debenture Holders and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each debenture Holder is advised to consult his/her/its own tax advisor with respect to specific consequences of his/her/its holding in the debentures of the Company.

5. Several of the above tax benefits are dependent on the debenture holders fulfilling the conditions prescribed under the relevant tax laws and subject to Chapter X and Chapter XA of the IT Act. Further, the issuer company may decide on practices to be followed with respect to TDS exemptions, thresholds for accepting documents for lower / nil deduction of tax at source or with respect to such other matters, based on Income Tax law and practice.

6. The stated benefits will be available only to the sole/ first named holder in case the debenture is held by joint holders.

7. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant tax treaty, if any, between India and the country in which the non-resident has fiscal domicile.

8. In respect of non-residents, taxes paid in India could be claimed as a credit in accordance with the provisions of the relevant tax treaty and applicable domestic tax law.

9. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time

to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

INDUSTRY OVERVIEW

The information under this section has been derived and extracted from the industry report titled Gold Loans released in July 2024 prepared by CRISIL on an "as is where is basis" and has not been independently verified by us, the Lead Manager, or any of our or their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry and Government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and Government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Accordingly, investment decisions should not be based on such information. Figures used in this section are presented as in the original sources and have not been adjusted, restated or rounded-off for presentation in this Shelf Prospectus. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. The information in this section must be read in conjunction with "Risk Factors" and "Our Business" on pages 19 and 111.

An overview of the Indian economy

India to remain one of the fastest growing economies amid global slowdown

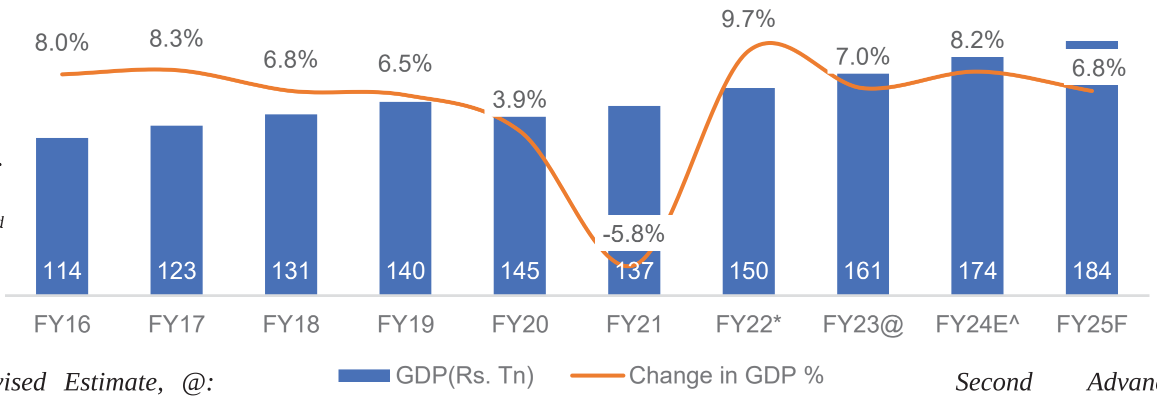
Even as the Indian economy has battled the three Cs — Covid-19, conflict (geopolitical) and climate change — it has shown a fair degree of resilience. Despite global slowdown, tightening of monetary conditions and high inflation, India recorded a higher economic growth rate compared with many peer economies owing to its relatively strong local consumption, lower reliance on global demand and continued resilience to external headwinds.

India's gross domestic product (GDP) exceeded expectations yet again. GDP growth slowed to 7.8% on-year in the fourth quarter (Q4) of last fiscal from 8.6% previous quarter but was higher than 6.1% in the year-ago quarter. Growth for the third quarter was also revised up to 8.6% from 8.4%.

After a strong GDP print in the past three fiscals, CRISIL MI&A Research expects GDP growth to moderate to 6.8% this fiscal as fiscal consolidation will reduce the fiscal impulse to growth, rising borrowing costs and increased regulatory measures could weigh on demand, net tax impact on GDP is expected to normalize, and exports could be impacted due to uneven growth in key trade partners and any escalation of the Red Sea crisis. On the other hand, another spell of normal monsoon and easing inflation could revive rural demand.

The Indian economy will take support from domestic structural reforms and cyclical levers and can retain and even improve its growth prospects. This can be done by continuing to build infrastructure both digital and physical and undertaking growth-enhancing reforms aimed at improving the ease of doing business. Amid global risks, this can also allow India to grasp opportunities from diversifying global supply chains.

On-year GDP change



*Note: F: Forecast, *: 2nd Revised Estimate, #:1st Revised Estimate, @: Second Advance Estimate*

Source: National Statistical Office (NSO), CRISIL MI&A Research

In the near term gradually the government of India will start receding its capex, and expectations the pass on being taken up by the private sector. Some sectors have already been picked up by the private capex such as electronics, EVs and green transition accounted for 16% of incremental capex in fiscals 2023 and 2024.

With 8.2% GDP growth estimated by the National Statistical Office (NSO) for fiscal 2024, India's performance has exceeded expectations. The major bugbear has been inflation, which though localised, has stayed above the 4% target of the Reserve Bank of India (RBI). CRISIL MI&A Research forecasts a moderation to 6.8% in fiscal 2025, largely due to cyclical factors.

Macroeconomic outlook

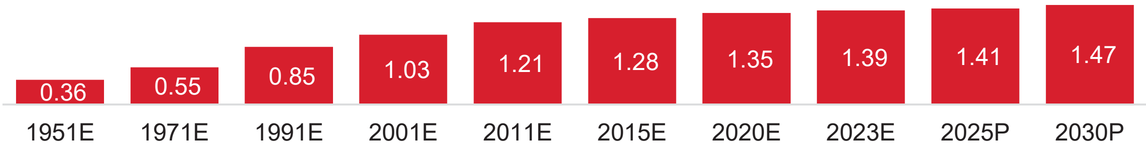
Macro variable	FY23	FY24E	FY25F	Rationale for outlook
Real GDP (%, y-o-y)	7.0	8.2^	6.8	High interest rates and lower fiscal impulse (from reduction in fiscal deficit to 5.1% of GDP) will temper domestic demand. Net indirect tax impact on GDP is expected to normalise this fiscal. Uneven growth in key trade partners will restrict healthy export recovery. But budgetary support to capex and rural incomes will support growth.
Consumer price index (CPI)-based inflation (%, y-o-y)	6.7	5.5	4.5	Soft commodity prices and healthier farm output should help moderate inflation. A non-inflationary budget that focuses on asset creation rather than direct cash support bodes well for core inflation and hence monetary policy
Current account balance/ GDP (%)	-2.0	-1.0	-1.0	Softer crude oil prices and moderation in domestic growth will keep trade deficit in check despite tepid exports of goods. Alongside, robust services trade surplus and healthy remittances will keep the current account deficit (CAD) in check
Rs/$ (March end)	82.3	83.0	83.5	Narrower CAD and healthy foreign portfolio flow into debt amid a favourable domestic macro environment will support the rupee
Fiscal deficit (% of GDP)	6.4	5.8	5.1	Continued pursuit of fiscal consolidation aided by moderation in revenue spending and robust tax collections will reduce the fiscal deficit and lead to lower government borrowings from the market
10-year G-sec yield (fiscal-end, %)	7.4	7.0	6.8	Lower gross market borrowings will reduce the pressure on yields. Lower inflation and expected rate cuts by the MPC will create downside pressure on yields. India's inclusion in the JP Morgan Emerging Market Bond Index is favourable for capital flows into government debt

*^National Statistical Office (NSO) third advance estimate; *FY24 and FY25 numbers are government's revised and budget estimates*
Note: E - estimate, F - forecast
Source: RBI, National Statistical Office (NSO), CRISIL MI&A Research

Indigenous advantages to result in a stronger economic growth rate in the longer term

India has the largest population in the world

As per the report published (in July 2020) by National commission on population, Ministry of Health & Family Welfare report, India's population in 2011 was 121 crores, comprising nearly 24.6 crore households. It should be noted that decadal growth rate during 2001-2011 stood at 17%. This is estimated to have fallen to 12% during 2011-2021 and is likely to decline further to 9% during 2021-2031. However, with 147 crore estimated population in 2030, India will continue to be a major opportunity market from demand perspective. Additionally, as per United Nations Department of Economic and Social Affairs, India has overtaken China as the world's most populous country in April 2023.
India's population growth trajectory (billion)

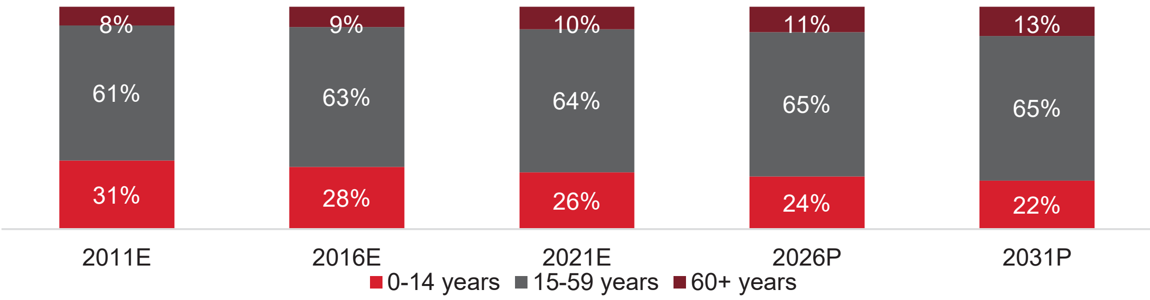


Note: P – Projected, E – Estimates
Source: Census of India 2011, Ministry of Health and family welfare, CRISIL MI&A Research

Favourable demographics

India is also one of the countries with the largest youth population, with a median age of 28 years. About 90% of Indians are aged below 60 years. It is estimated that 64% of this population is aged between 15 and 59 years. CRISIL MI&A Research expects the existence of a large share of working population, coupled with rapid urbanisation and rising affluence, will propel growth of the Indian financial services sector.

India's demographic division (share of different age groups in India's population)



Note: P – Projected, E – Estimates

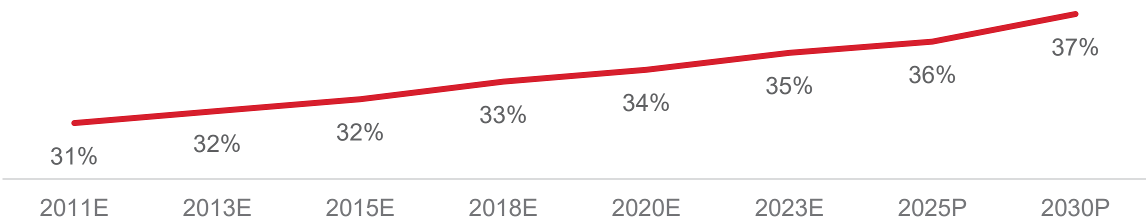
Source: Census of India 2011, Ministry of Health and family welfare, CRISIL MI&A Research

Rise in urbanisation

Urbanisation is a key growth driver for India, as it leads to faster infrastructure development, job creation, development of modern consumer services, and the city's ability to mobilise savings. The share of urban population in total population has been consistently rising over the years and is expected to reach 36% by 2025 from 31% in 2011, spurring more demand.

Urban consumption in India has shown signs of improvement and given the country's favourable demographics, coupled with rising disposable incomes, the trend is likely to continue and drive domestic economic growth.

Urbanisation in India



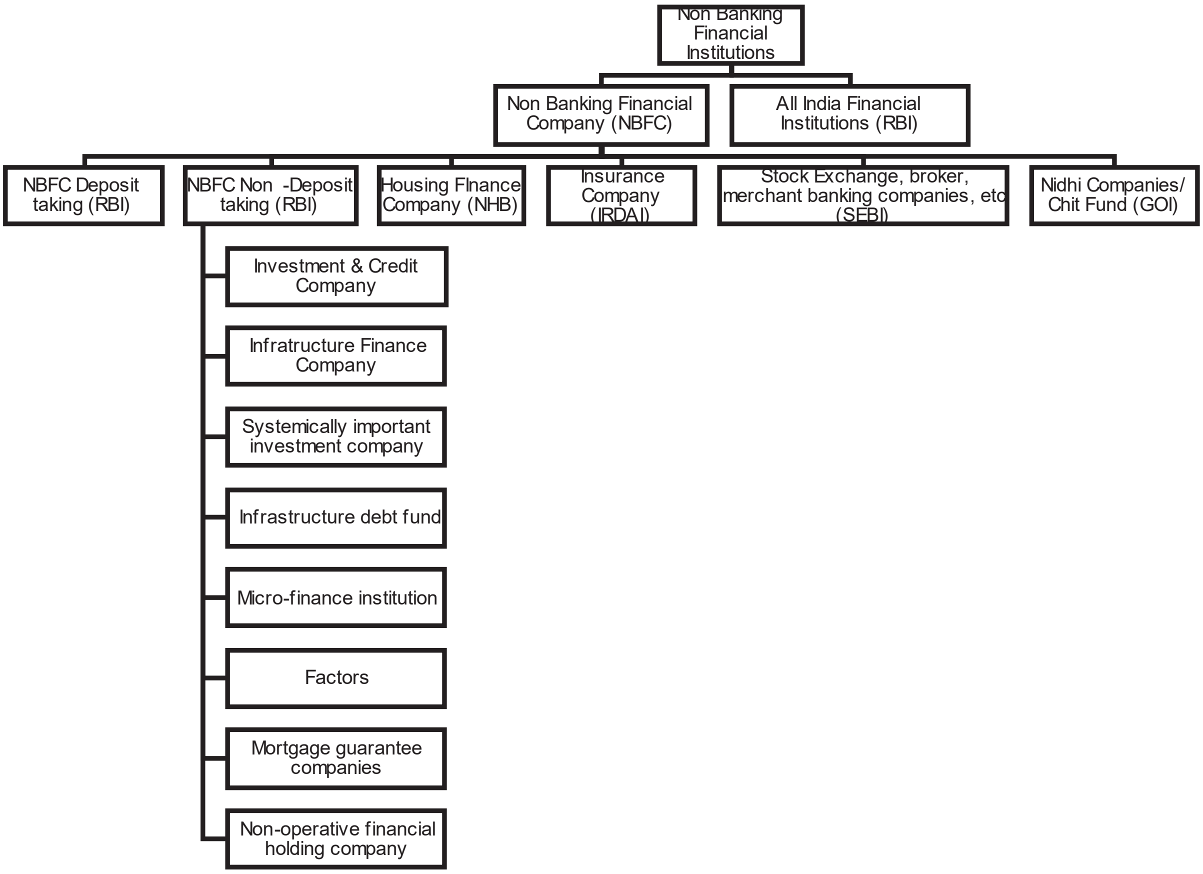
Note: P – Projected, E – Estimates
Source: Census of India 2011, Ministry of Health and family welfare, CRISIL MI&A Research

Overall NBFC – Industry overview

NBFCs are important part of the credit system

Financing needs in India have risen in sync with the notable economic growth over the past decade. NBFCs have played a major role in meeting this need, complementing banks and other financial institutions. NBFCs help fill gaps in the availability of financial services with respect to products as well as customer and geographic segments. A strong linkage at the grassroots level makes them a critical cog in the financial machine. They cater to the unbanked masses in rural and semi-urban reaches and lend to the informal sector and people without credit histories, thereby enabling the government and regulators to realise the mission of financial inclusion.

Structure of non-banking financial institutions in India



Note: The regulatory authority for the respective institution is indicated within the brackets; All-India Financial Institutions include NABARD, SIDBI, EXIM Bank
Source: RBI, CRISIL MI&A Research

Classification of NBFCs

NBFCs until now have been classified on the basis of the kind of liabilities they access, types of activities they pursue and their perceived systemic importance. RBI on October 22, 2021, introduced additional classification of NBFCs vide Scale Based Regulation (SBR) framework into four categories i.e., Base Layer (NBFC – BL), Middle Layer (NBFC – ML), Upper Layer (NBFC – UL) and Top Layer (NBFC – TL).

Liabilities-based classification

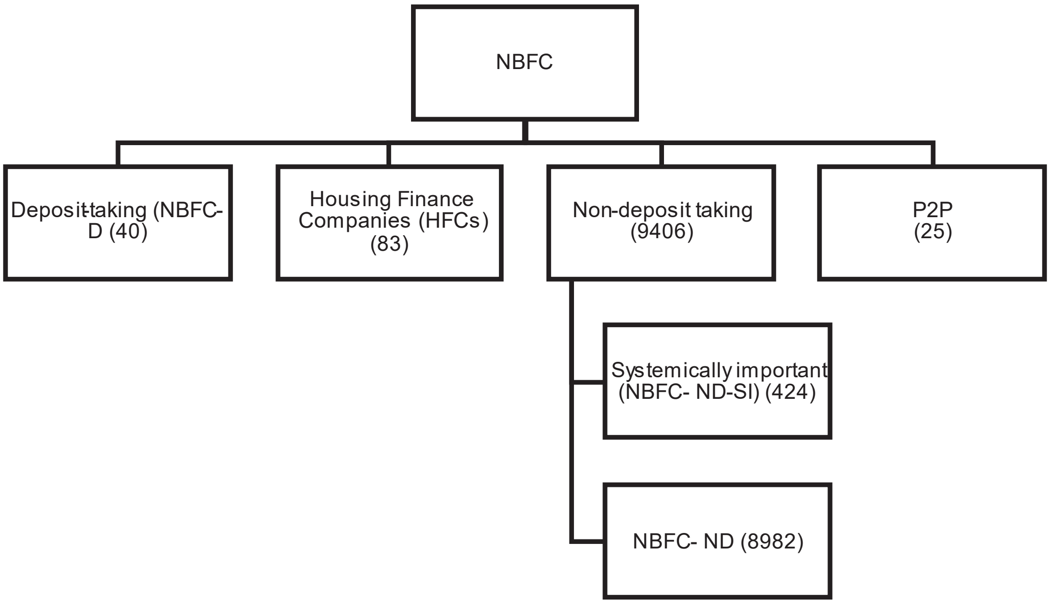
NBFCs are classified on the basis of liabilities into two broad categories:

a) deposit-taking; and
b) non-deposit taking.

Deposit-taking NBFCs (NBFC – D) are subject to the requirements of stricter capital adequacy, liquid-assets maintenance and exposure norms.

Further, in 2015, non-deposit taking NBFCs with an asset size of Rs 5 billion and above were labelled as 'systemically important non-deposit taking NBFCs' (NBFC – ND – SI), and separate prudential regulations were made applicable to them.

Classification on the basis of liabilities



Note: Figures in brackets represent number of entities registered with RBI as of March 2023. Source: RBI, CRISIL MI&A Research

Activity-based classification

As per the RBI circular dated February 22, 2019, the central bank merged three categories of NBFCs, i.e., asset finance companies (AFC), loan companies (LCs) and investment companies (ICs), into a new category called NBFC - Investment and Credit Company (NBFC-ICC)

1. **Investment and credit company – (NBFC-ICC)**: An NBFC-ICC means any company that is a financial institution carrying on as its principal business of providing finance by making loans or advances or otherwise for any activity other than its own and acquisition of securities; and is not any other category of NBFC.

2. **Infrastructure finance company (IFC):** An IFC is an NBFC that deploys at least 75% of its total assets in infrastructure loans and has a minimum net-owned funds of Rs 300 crore, with a minimum credit rating of 'A' or equivalent and a 15% CRAR (Capital to risk-weighted adequacy ratio).

3. **Infrastructure debt fund (IDF-NBFC):** An IDF-NBFC is a company registered as an NBFC to facilitate the flow of long-term debt into infrastructure projects. It raises resources through the issue of rupee or dollar-denominated bonds with a minimum five-year maturity. Only IFCs can sponsor IDF-NBFCs

4. **Micro-finance institution (NBFC-MFI):** An NBFC-MFI is a non-deposit-taking NBFC with not less than 75% of its assets in the nature of qualifying assets, which satisfy the following criteria:

   - NBFC MFIs can disburse loans to borrowers with household annual income not exceeding Rs 300,000. The household shall mean an individual family unit, i.e., husband, wife and their unmarried children.
   - All collateral-free loans will be considered as qualifying assets. Such loans will include all non-collateral loans irrespective of end use and mode of application/ processing/ disbursal.
   - The loan shall not be linked with a lien on the deposit account of the borrower.

5. **Factors (NBFC-Factors):** An NBFC-Factor is a non-deposit-taking NBFC engaged in the principal business of factoring. Financial assets in the factoring business should constitute at least 50% of its total assets and income derived from the factoring business should not be less than 50% of its gross income.

6. **Mortgage guarantee companies (MGC):** An MGC is a financial institution for which at least 90% of the business turnover is mortgage guarantees or at least 90% of the gross income is from the mortgage-guarantee business and whose net-owned funds is atleast Rs 100 crore.

7. **Non-operative financial holding company (NOFHC):** An NOFHC is a financial institution through which promoter / promoter groups will be permitted to set up a new bank. A wholly owned NOFHC will hold the bank as well as all other financial services companies regulated by the RBI or other financial sector regulators to the extent permissible under the applicable regulatory prescriptions.

8. **Account Aggregators (NBFC-AA):** NBFC Account Aggregator is a financial entity which functions as the Account Aggregator for the customers of NBFC. NBFC-AA accumulates and provides information concerning multiple accounts which are held by the customers in various NBFC entities.

9. **Peer to Peer Lending (NBFC-P2P):** NBFC –Peer to Peer Lending platform (NBFC-P2P) is a type of Non-Banking Financial Company which carries on the business of providing services of Loan facilitation to willing lenders and borrowers through online platform.

Scale based classification

As per RBI circular dated October 22, 2021, the central bank introduced Scale Based Regulation (SBR) framework for classification of NBFCs along with the activity-based classification of NBFCs as per earlier regulations. The revised SBR framework shall be effective from October 01, 2022

As per the revised framework NBFCs will be classified into four layers based on their size, activity and perceived riskiness. NBFCs in the lowest layer will be known as NBFC – Base Layer (NBFC BL), NBFCs in middle layer and upper layer shall be known as NBFC - Middle Layer (NBFC-ML) and NBFC - Upper Layer (NBFC-UL) respectively. The Top Layer is expected to be empty and will be known as NBFC - Top Layer (NBFC - TL).

Classification on the basis of scale-based regulation

NBFC – Base Layer (NBFC-BL)	NBFC – Middle Layer (NBFC-ML)	NBFC –Upper Layer (NBFC-UL)	NBFC – Top Layer (NBFC-TL)

Source: RBI, CRISIL MI&A Research

Base Layer – NBFC – BL shall comprise of (a). Non deposit taking NBFCs below asset size of Rs 1000 crore and (b). Following NBFCs – (i) NBFC P2P, (ii) NBFC – AA, (iii) NOHFC, and (iv) NBFCs not availing public funds and not having any customer interface

Middle Layer – NBFC – ML shall comprise of (a). All deposit taking NBFCs irrespective of asset size, (b). Non-deposit taking with asset size of Rs 1000 crore and above and (c). Following NBFCs – (i) Standalone primary dealer (SPD), (ii) Infrastructure debt fund (IDF), (iii) Core investment companies (CIC), (iv) Housing finance companies (HFCs) and (v) Infrastructure finance companies (IFCs) Government owned NBFCs shall be placed in the Base Layer or Middle Layer, as the case may be. They will not be placed in the Upper Layer till further notice by RBI.

Upper Layer – NBFC – UL shall comprise of NBFCs which are specifically identified by the Reserve Bank as warranting enhanced regulatory requirement based on a set of parameters and scoring methodology. The top ten eligible NBFCs in terms of their asset size shall always reside in the upper layer, irrespective of any other factor.

Top Layer – NBFC – TL shall be populated only if in opinion of RBI there is a substantial increase in the potential systemic risk from specific NBFCs in the Upper Layer. Such NBFCs shall be moved to Top layer from the Upper layer.

Other regulatory changes under Scale Based Regulations

1. Net Owned Fund (NOF) for NBFC-ICC, NBFC-MFI and NBFC-Factors shall be increased to Rs 10 cr timelines for change in NOF for above mentioned NBFCs is as follows.

NBFCs	Current NOF	By March 31, 2025	By March 31, 2027
NBFC – ICC	Rs 2 crore	Rs 5 crore	Rs 10 crore
NBFC – MFI	Rs 5 crore (Rs 2 crore in NE region)	Rs 7 crore (Rs 5 crore in NE region)	Rs 10 crore
NBFC – Factors	Rs 5 crore	Rs 7 crore	Rs 10 crore

2. NPA classification: NPA classification norms stands changed to the overdue period of more than 90 days for all categories of NBFCs, timelines to adhere change for NBFC – BL to 90 days NPA norm is as follows.

NPA norms	Timeline
>150 days overdue	By March 31, 2024
>120 days overdue	By March 31, 2025
>90 days overdue	By March 31, 2026

3. Experience of the board - Considering the need for professional experience in managing the affairs of NBFCs, at least one of the directors shall have relevant experience of having worked in a bank/ NBFC. This regulation shall be applicable for all class of NBFCs.

4. Ceiling on IPO Funding – RBI prescribed ceiling of Rs 1 crore per borrower for financing subscriptions to IPO. NBFCs can fix more conservative limits. This regulation shall come into effect from April 01, 2022.

Prompt corrective action framework

NBFCs have been growing in size and now have substantial interconnectedness with other segments of the financial system. Accordingly, in October 2022, the RBI made effective a prompt corrective action (PCA) framework to further strengthen the supervisory tools applicable to NBFCs. The objective of the framework is to enable supervisory intervention at the appropriate time.

It requires the supervised entity to initiate and implement remedial measures in a timely manner to restore its financial health. It does not preclude the central bank from taking any other action as it deems fit at any time, in addition to the corrective actions prescribed in the framework.

The PCA framework applies to all NBFC-Ds and all NBFC-NDs in the middle, upper and top layers, identified under the new SBR. It excludes NBFCs not accepting/ not intending to accept public funds, government companies, primary dealers and HFCs.

The risk thresholds when breached that may result in invocation of PCA are:

1. **For NBFC-Ds and NBFC-NDs (excluding CICs):**

Indicator	Risk threshold 1	Risk threshold 2	Risk threshold 3
CRAR	Up to 300 bps below the regulatory minimum CRAR (currently, CRAR <15% but ≥12%)	More than 300 bps, but up to 600 bps below regulatory minimum CRAR (currently, CRAR <12% but ≥9%)	More than 600 bps below regulatory minimum CRAR (currently, CRAR <9%)
Tier 1 capital ratio	Up to 200 bps below the regulatory minimum tier 1 capital ratio (currently, tier 1 capital ratio <10% but ≥8%)	More than 200 bps, but up to 400 bps below the regulatory minimum tier 1 capital ratio (currently, tier 1 capital ratio <8% but ≥6%)	More than 400 bps below the regulatory minimum tier 1 capital ratio [currently, tier 1 capital ratio <6%]
NNPA ratio (including NPIs)	>6% but ≤ 9%	>9% but ≤12%	>12%

Source: RBI

2. **For CICs**

Indicator	Risk threshold 1	Risk threshold 2	Risk threshold 3
Adjusted net worth (ANW) / aggregate risk weighted asset (RWA)	Up to 600 bps below the regulatory minimum ANW/ RWA (currently, ANW/RWA <30% but ≥24%)	More than 600 bps, but up to 1200 bps below regulatory minimum ANW/ RWA (currently, ANW/RWA <24% but ≥18%)	More than 1200 bps below regulatory minimum ANW/ RWA (currently, ANW/RWA <18%)
Leverage ratio	≥2.5 times but <3 times	≥ 3 times but <3.5 times	≥3.5 times
NNPA ratio (including NPIs)	>6% but ≤ 9%	>9% but ≤12%	

Source: RBI

Credit concentration norms

RBI, in its April 19, 2022 guidelines on Large Exposure Framework for Non-Banking Financial Company – Upper Layer (NBFC-UL), permits exposures to the original counterparty to be offset with certain credit risk transfer instruments. These include instruments such as cash margin/caution money/security deposit against which the right to set off is available, held as collateral against the advances, and government guaranteed claims (0% risk weight for central and 20% for state government for CRAR computation) However, this was exclusive to NBFC-UL.

In a move towards standardisation, the RBI has extended this provision to NBFCs in the middle and base layers. This harmonisation levels the playing field for all NBFCs across layers.

Out of 9,376 RBI-registered NBFCs, only 15 fall under the NBFC-UL category, while the majority are in the middle and base layers.

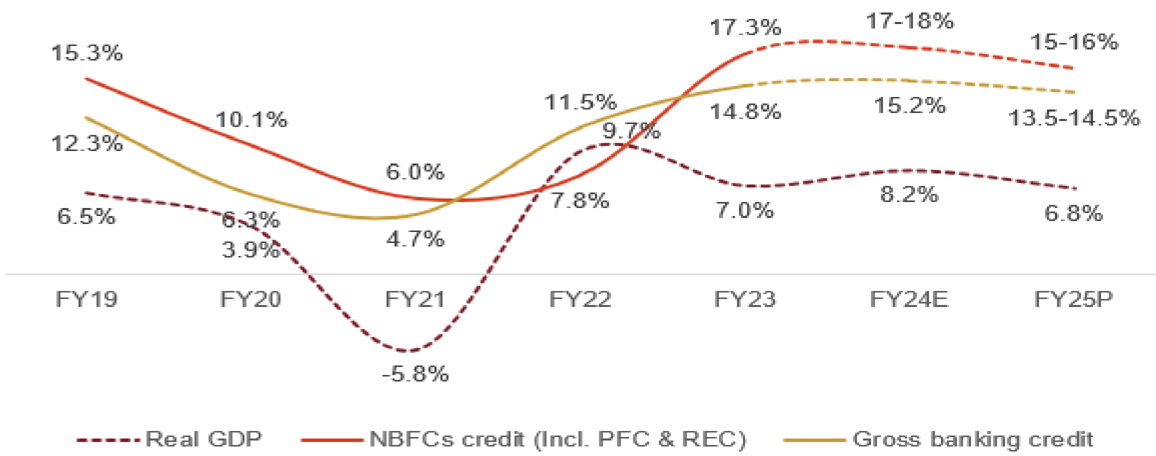
Overview on NBFC sector

NBFC credit growth to remain robust despite macroeconomic and regulatory challenges

The credit growth of non-banking financial companies (NBFCs), which has trended above India's gross domestic product (GDP) historically, is expected to continue to rise at a faster pace in fiscal 2025.

The growth in fiscal 2023 marked a return to the pre-pandemic trend in credit growth. Between fiscals 2016 and 2018, NBFCs had clocked credit growth of 15% CAGR, mainly because of aggressive expansion of their footprint and the entry of several new players across India. This also coincided with a decline in bank credit growth. However, the NBFC sector faced headwinds after Infrastructure Leasing & Financial Services (IL&FS) defaulted on repayment of loans in September 2018, followed by a liquidity crisis.

NBFCs' retail segment-led credit growth to stay healthy in fiscal 2025



E- estimated; P — projected

Note: Historical credit growth numbers are adjusted for merger of HDFC Ltd with HDFC Bank for comparable credit growth

Source: Reserve Bank of India (RBI), National Housing Bank (NHB), Ministry of Finance, company reports, CRISIL MI&A Research, NBFC Report – April 2024 update

In contrast, India's gross domestic product (GDP), which exceeded forecasts, expanding an estimated 8.2% in fiscal 2024, is projected to see some moderation in growth in fiscal 2025.

The transmission of previous rate hikes by the Reserve Bank of India (RBI) to broader lending rates continues. However, while rising borrowing costs and regulatory measures to clamp down risky lending could moderate domestic demand, another spell of normal monsoon and easing inflation could provide some respite.

Still, while the RBI has not raised rates since February 2023, it has been equally cautious about cutting rates, amid slower cooling of inflation and a strong growth trajectory. Globally as well, major central banks remain cautious about cutting rates.

Going forward, though, an above-normal monsoon will bode well for domestic disinflation. But inclement weather because of global warming and rising crude oil prices remain monitorables. Also, government bond yields have firmed up, as markets are pricing in a delay in rate cuts from the RBI. In fact, 'higher for longer' interest rates and the RBI's regulatory measures could weigh on the overall financial conditions in this fiscal as well.

Performance of NBFCs to remain healthy in fiscal 2025

NBFCs' credit, estimated to have grown 17-18% on-year in fiscal 2024, is expected to sustain the momentum, and rise 15-16% on-year this fiscal, with housing, personal, auto and microfinance loans in the retail segment, and micro, small and medium enterprise (MSME) loans in the wholesale segment continuing to be the primary drivers.

Lending to MSMEs has gained traction over the past three fiscals, with NBFCs increasing focus on unsecured business loans amid higher competition from banks in the traditional segments.

Also, consolidation within certain corporate groups and other corporate activities indicate buoyancy in the NBFC space and expectations of good credit conditions, though a pinch of caution. The entry of a new player in the retail space is expected to intensify competition in the coming fiscals as well.

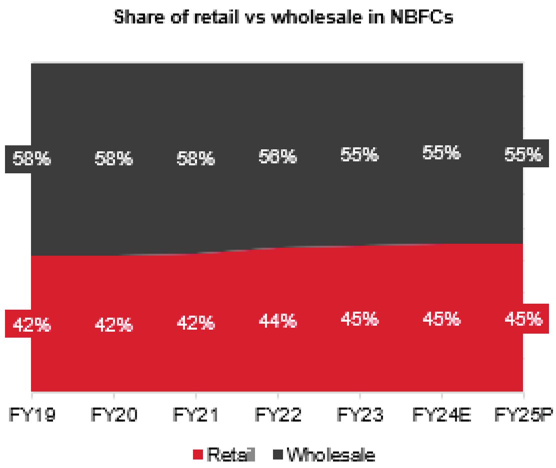
Meanwhile, asset quality improved last fiscal on account of normalisation of economic activity and improved collection efficiency across segments, with the gold loan segment being an exception. Collection efficiency is expected to hold up in the near future as well, resulting in further easing of gross non-performing assets (GNPAs). However, here, the performance of unsecured retail credit will be a key monitorable.

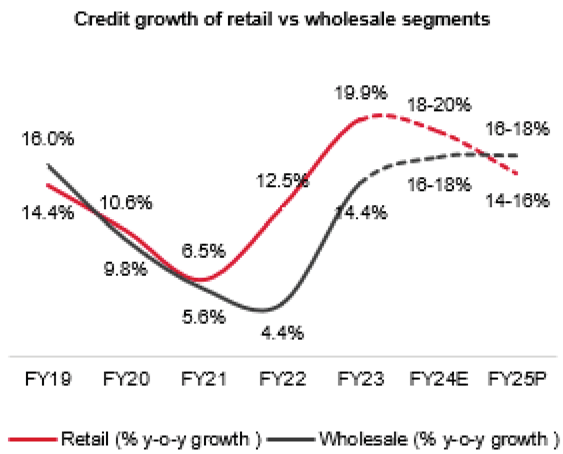
The buoyant growth since fiscal 2022 is in sharp contrast to fiscal 2021, when the Covid-19 pandemic brought a sudden halt in economic activity and slowed down demand for credit, impacted by funding challenges. But banks benefitted in this milieu and used their surplus liquidity to gain market share, in terms of credit in a few key segments. In fiscal 2022, the economy began to reopen and lockdowns were relaxed after the second wave of the pandemic, leading to normalisation of business activities and driving credit growth in most segments.

Consequently, by fiscal 2023, NBFCs were back on track, with disbursements growing 16.8% on-year, albeit on a lower base of 7.8% rise in fiscal 2022.

Retail segment resilient amid evolving regulatory landscape; recovery in wholesale lending boosts credit growth

Wholesale credit recovery and steady retail credit growth provide balanced overall credit growth going forward





projected

Notes:

1) Retail includes housing, auto, gold, microfinance, personal loans, consumer durables, and education

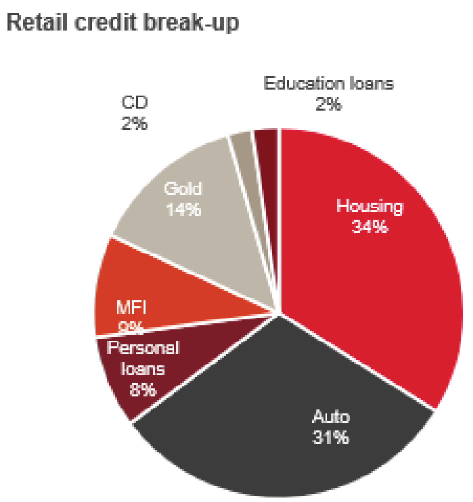
2) Wholesale includes MSME, real estate and large corporate, infrastructure, and construction equipment

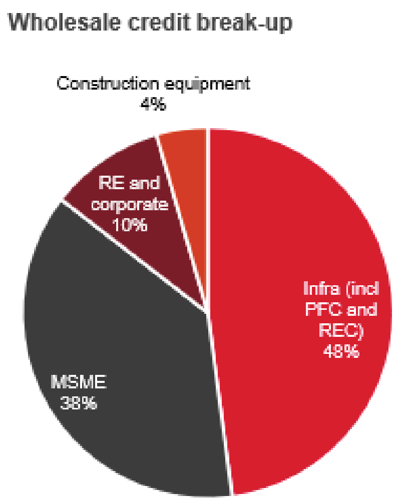
Source: Industry, CRISIL MI&A Research

Steady growth across retail as well as recovery wholesale segments is estimated to have resulted in the shares of the two in overall NBFC credit remaining stable in fiscal 2024, at 45% and 55%, respectively. While credit growth in the retail segment is estimated to have risen a healthy 18-20% on-year, wholesale credit rose 16-18%. Though the credit growth in the case of the retail segment was healthy, it was a moderation in comparison with fiscal 2023. This was because of normalisation in unsecured segments, which had increased sharply in the past, spurred by the RBI's risk weight circular.

Still, post the NBFC crisis in fiscal 2018, the retail segment had led growth of the NBFC sector, while the wholesale segment posted low single-digit growth between fiscals 2020 and 2022. In fiscal 2023, the retail segment grew a sharp 20% on-year and the wholesale, 14%. Also, while credit growth in the retail segment was broad-based, the MSME segment was the primary growth driver in the wholesale segment, supported by steady growth in infrastructure financing on a high base.

Break-up of retail vs wholesale segment of NBFCs in fiscal 2024E

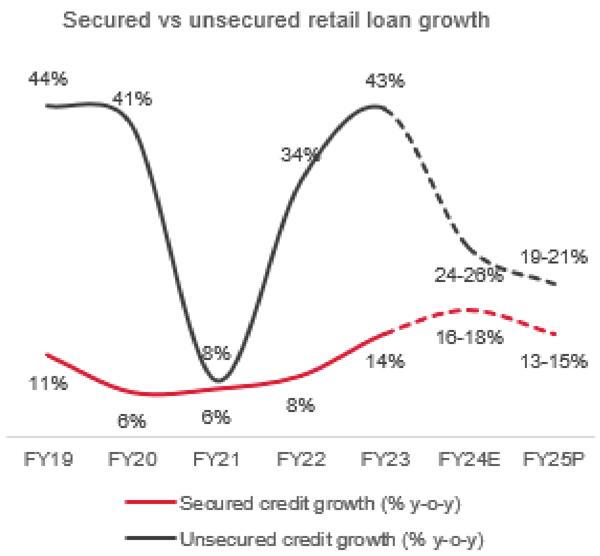


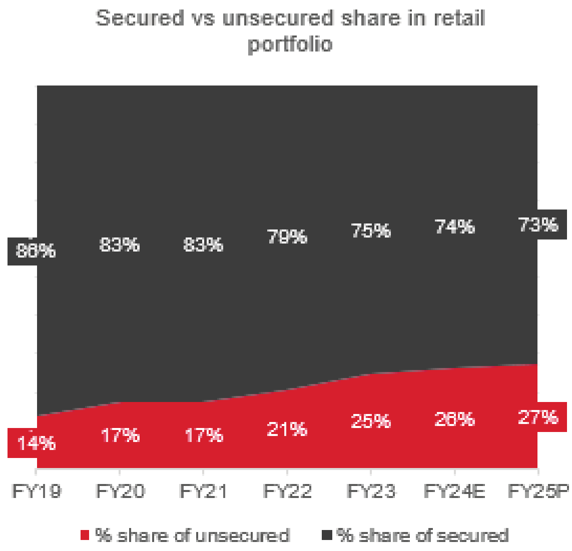


Source: RBI, company reports, CRISIL MI&A Research

Unsecured credit growth to normalise owing to regulatory efforts, still to trend higher than secured credit

Secured segment to lose further ground





E – estimated; P – projected

Note: For calculation of unsecured retail loans for NBFCs, segments such as personal, microfinance and consumer durables loans, and a share of education loans are considered.
Source: RBI, NHB, MFIN, CRISIL MI&A Research

The retail portfolio of NBFCs was estimated at Rs 19.3 trillion in March 2024. Within the space, the share of the unsecured portion is estimated to have expanded from 14% in fiscal 2019 to 26% in fiscal 2024. The RBI circular acted as a catalyst against this backdrop of rapid growth of unsecured lending by NBFCs and banks and its underlying risks.

Higher inflation, along with stagnant income, could cramp the borrower's repayment capability. Overleveraging at the borrower's end could also augment asset quality vulnerability. This is further exacerbated in unsecured lending, where there is no recourse to collateral and, hence, the loss given default is high. Therefore, lenders are required to keep higher capital buffers against such exposures as a result of this circular.

Between fiscals 2021 and 2023, i.e. the post-pandemic period, the secured segment logged 11% CAGR, surpassing the pre-pandemic growth rate of 8%. In contrast, the unsecured segment clocked a staggering 41% CAGR as NBFCs expanded their reach by targeting the new-to-credit customer segment and focussing on tier II and lower-tier cities.

A decadal low savings rate of Indian households of 5.1% owing to rising financial liabilities indicates a debt-driven consumption-led post-pandemic recovery. The emergence of fintech companies (fintechs) has played a key role in driving growth of the unsecured segment. Fintechs have been at the forefront of innovative lending practices, often catering to segments that traditional financial institutions might not reach.

Retail segment continues to lead NBFC credit growth

Change in credit at NBFCs

Segment	CAGR FY19-23	FY23 y-o-y	FY24E y-o-y	FY25P y-o-y
Housing	7%	10%	13-14%	11-13%
Auto (all segments)	9%	20%	20-21%	15-16%
Personal loan	35%	48%	20-21%	14-16%
Gold	17%	5.5%	13-15%	11-13%
Microfinance	25%	38%	25-26%	21-23%
Consumer durables	24%	27%	29-30%	26-27%
Education	35%	79%	75-76%	51-53%
MSME	18%	22%	25-26%	24-26%
Corporate and Real estate	(5)%	(4)%	(4-5)%	(1-3)%
Infrastructure	7%	13%	15-16%	15-16 %

<5% 5-10% >10%

E – estimated; P — projected

Source: Company reports, CRISIL MI&A Research

Housing: The credit growth of the overall housing finance sector has returned to pre-pandemic level, rising an estimated 12-14% in fiscal 2024. The slowdown caused by the pandemic affected low- and middle-income groups for a brief period; however, the segment turned a corner faster than expected. In fiscal 2025, CRISIL MI&A Research expects demand for housing to rise 10-12% on-year. This, along with the expected 8-10% growth in capital values in fiscal 2024 and 5-7% in fiscal 2025 and incremental construction under the Pradhan Mantri Awas Yojana during the fiscals, will support an estimated 13-14% growth in NBFC/housing finance companies' (HFC) housing loans in fiscal 2024 and 11-13% growth in fiscal 2025.

Auto finance: The segment saw healthy credit growth in fiscal 2023, supported by easing of semiconductor shortages, pent-up demand for cars and utility vehicles, improving profitability of transporters, and advance buying in anticipation of the second phase of Bharat Stage-VI norms. Growth in fiscals 2024 and 2025 will be driven by rising demand for commercial vehicles, cars, utility vehicles, and two-/three-wheelers, accompanied by bigger ticket financing and the government's focus on infrastructure spending. With this, CRISIL MI&A Research estimates the auto finance NBFC segment grew 20-21% in fiscal 2024, with 15-16% growth projected in the current fiscal.

Gold loan finance: NBFCs' credit growth is estimated to have moderated to 13-15% in fiscal 2024 compared with 16.2% CAGR between fiscals 2019 and 2023. Growth moderated in fiscal 2023 because of intense competition from banks and mixed credit demand from the rural economy — a major market segment for gold loan NBFCs. Credit growth is projected to grow 11-13% in fiscal 2025.

Microfinance: The microfinance industry clocked a CAGR of 17% between fiscals 2019 and 2023, with NBFC-MFIs growing at a fast pace of 25% CAGR and capturing the market share of banks, which witnessed 11% growth during the same period. The new regulatory framework contributed to improved financial inclusion due to higher household income. With the increase in household income in urban and rural areas, the lenders expanded their customer base in fiscal 2024, boosting credit growth at an estimated 25-26% for NBFC-MFIs and 23-24% for the overall microfinance industry.

MSMEs: The first and second waves of the pandemic hit MSMEs real hard. This segment has a fundamental link to economic activity. Corporate India's revenue is estimated to have increased 7-9% in fiscal 2024 vis-à-vis 7-7.5% growth for SMEs. In line with this, CRISIL MI&A Research estimates overall MSME credit growth to have been a healthy 25-26% last fiscal and is projected to remain range bound at 24-26% this fiscal.

Real estate and corporate: The wholesale portfolios of NBFCs/HFCs are systematically being trimmed. NBFCs/HFCs are collectively shifting their focus towards the retail business. This led to an estimated de-growth of 4-5% in credit in fiscal 2024. CRISIL MI&A Research expects wholesale credit to further de-grow 1-3% this fiscal, with real estate disbursement expected to pick up for a few NBFCs/HFCs.

Infrastructure (including PFC and REC): The infrastructure book of NBFCs grew 13.4% in fiscal 2023, following a marginal growth of 2% in fiscal 2022 due to weak power demand amid the pandemic. The growth momentum in fiscal 2023 was owing to investments in renewable power and a pickup in the transmission and distribution (T&D) sector amid increased power demand. Book growth is estimated to have been 15-16% in fiscal 2024, driven by firm growth in power sector investments and the Revamped Distribution Sector Scheme (RDSS). Additionally, REC has been appointed as the nodal agency to oversee the overall coordination and implementation of the rooftop solarisation project announced in January 2024. Supported by the aforementioned factors, CRISIL MI&A Research expects the NBFC infrastructure book to grow 15-16% in fiscal 2025.

Gradual improvement in asset quality

		GNPA FY23	GNPA FY24P	GNPA FY25P
Retail	Housing	1.6%	1.3-1.4%	1.2-1.4%
	Auto (all segments)	5.0%	4.0-4.5%	4.0-4.5%
	Gold	3.0%	2.8-3.0%	2.5-2.7%
	Microfinance	2.9%	2.3-2.4%	2.2-2.3%
Wholesale	MSME	3.6%	3-4%	3-4%
	Real estate & corporate	NM	NM	NM
	Infrastructure (Incl. PFC REC)	3.6%	3.0-3.2%	2.5-3.0%

<2.5% | 2.5-7.5% | >7.5%

Note: E – estimated, P – projected

1) Green: <2.5%, amber: 2.5-7.5%, red: >7.5%

2) Asset quality in real estate and corporate loans is not meaningful due to the addition of contractual moratorium, date for commencement for commercial operations extension, one-time restructuring, and player strategy to reduce the wholesale portfolio

Source: Company reports, CRISIL MI&A Research

Asset quality continued to improve with strong economic activities and better collection efficiency, leading to a reduction in gross non-performing assets (GNPA) in fiscal 2024. This was further helped by write-offs given the comfortable capital buffers maintained by NBFCs.

Housing: In fiscal 2023, HFCs' GNPA decreased ~100 bps as stress in the non-housing portfolios reduced owing to the offloading of large parts of the wholesale portfolio by HFCs under the retailisation strategy, growth of MSME businesses and stable incomes of the prime customers. According to CRISIL MI&A Research, GNPA is estimated to have decreased 40 bps to 2.6-2.7% in fiscal 2024 as two large housing finance players wrote off substantial portions of their real estate exposures and developers made record repayments along with continuing retailisation strategy. GNPA is expected to improve to 2.3-2.5% in fiscal 2025.

Auto: The industry's stress levels, which peaked in fiscal 2021, returned to pre-pandemic levels with GNPA of 4.70% in March 2023. It is expected to improve further to 4-4.5% this fiscal supported by sustained macroeconomic activity.

Gold finance: This is considered to be a safer segment from an asset quality perspective as players can improve GNPA by auctioning gold collateral. Additionally, given the liquid nature of collateral and recent increase in gold prices, the ultimate loss given default is expected to be modest. Gold loan NBFCs have loan to value (LTV) ratios of 60-70%, which is a sufficient buffer for any price fluctuation. The overall GNPA increased in fiscal 2023 and is estimated to have declined in fiscal 2024, driven by the performance of top players. Traditionally, GNPA has been controlled via recoveries through gold auctions. However, since gold financing is an extremely customer-centric business, gold auctions tend to be the last resort. Typically, NPAs are resolved through customer repayments. Additionally, in case of GNPA, driven by migration of teaser loans to higher rates, further slippages could be limited since much of the teaser loan book has already been migrated. CRISIL MI&A Research estimates GNPA of gold loan NBFCs to have improved to 2.8-3.0% in March 2024 and is expected to moderate to 2.5-2.7% this fiscal.

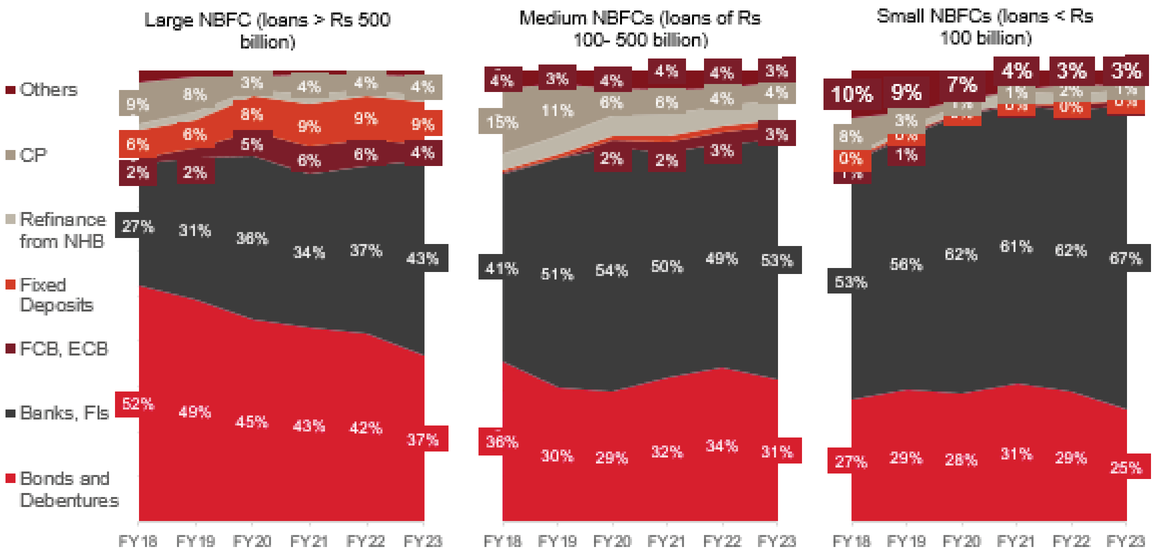
Microfinance: GNPA of the NBFC-MFI book stood at 2.90% in March 2023 after declining from a peak of 6% in March 2022. Further, after continued decline in GNPA to 2.20% in the first half of fiscal 2024, the industry witnessed an uptick of 20 bps taking GNPA to 2.40% as of December 2023. The increase was mainly attributed to challenges faced by the lenders specifically in Tamil Nadu and Punjab, where collection efficiencies dropped due to floods in both states and also loan waiver campaign in a few parts of Punjab. However, on-year, GNPA is estimated to have moderated marginally to 2.3-2.4% in fiscal 2024 and is expected at 2.2-2.3% this fiscal.

MSME: Asset quality deteriorated in March 2021 due to Covid-19. Income of borrowers was impacted, which worsened GNPA. However, with continued improvement in economic activity, better collection efficiency and strong credit growth, GNPA level decreased in March 2022. In March 2023, the GNPA ratio for MSME loans was 3.6%. Among various player groups, the asset quality is the best for private banks as of March 2023 because they serve relatively low risk customers compared with NBFCs, which also serve customers with no documented income. CRISIL MI&A Research estimates asset quality to have ranged 3-3.5% in fiscal 2024.

Real estate and corporate: The real estate and corporate segments experience higher stress than other segments where NBFCs lend. In the first half of fiscal 2024, some NBFCs/HFCs performed a considerable number of technical write-offs. However, GNPA crossed the 9% mark in fiscal 2023, ~250 bps lower on-year. CRISIL MI&A Research estimates GNPA to have ranged 8-10% last fiscal.

Share of bank funding expected to moderate in the near to medium term for NBFCs

Bank and capital market borrowings interplay to evolve with transmission of rate hikes in a liquidity deficit banking system



Note: Coverage includes 100+ NBFCs (including HFCs) constituting 81% of the total NBFC market size (excluding PFC, REC and HDFC)

Source: Company reports, CRISIL MI&A Research

While the impact of risk weight circular is expected to result in increased cost of capital for NBFCs with exposure to consumer lending segments, NBFCs rated A- and above and operating in these segments will also face the additional impact on their borrowing cost from bank funding as banks pass on the increased cost of capital to NBFCs. Higher lending rates by banks to NBFCs could spill over to corporate bonds through higher yields via widening of credit spreads for NBFCs.

From a scale perspective, large NBFCs (with loan book > Rs 500 billion) have a higher capability to tap capital markets and raise bonds and debentures for their funding requirements due to a strong market presence, larger scale of operations and better ratings. However, after the NBFC crisis in fiscal 2019, the share of bonds in the borrowing mix has been declining; it dropped from 52% in fiscal 2018 to 37% in fiscal 2023. Correspondingly, the share of bank borrowings continued to increase.

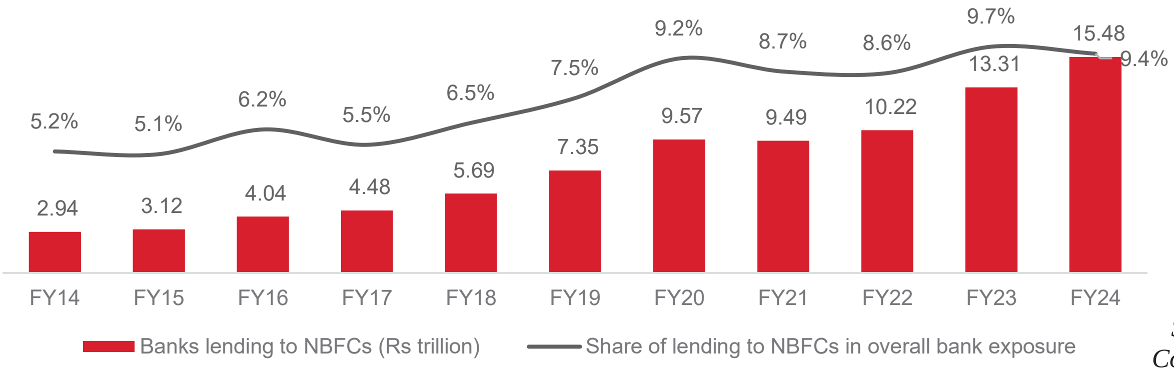
With softer policy rates abroad, large NBFCs have also tapped overseas funding options through the external commercial borrowing (ECB) route. As a result, ECBs held a 6% share in the borrowing mix in fiscal 2022 compared with 2% in fiscal 2018. However, with reversal of interest rates in fiscal 2023 and most central banks adopting aggressive rate hikes, the share of ECBs declined to 4% end-fiscal 2023, with some NBFCs even opting to prepay their ECB/foreign currency borrowings. Refinance from NHBs occupied a small but steady share in large NBFCs.

Meanwhile, small and medium-sized NBFCs depend on term loans as the principal source in their borrowing mix. In addition, the share of deposits is lower as a higher share of small and medium-sized NBFCs are non-deposit taking. With limited access to capital markets compared with large NBFCs, impacted further during the liquidity crisis, these NBFCs have become more dependent on banks and financial institutions for funding. Hence, the share of term loans has increased rapidly in small and medium-sized NBFCs after the crisis. Notably, there was a small decline in the share of bank borrowings in fiscals 2021 and 2022, when interest rates were low, capital markets offered attractive yields and the share of bonds increased.

In addition, short-term borrowings from commercial papers (CPs) reduced across NBFCs and were replaced by short-term loans from banks. With interest rate repricing in benchmark-linked bank borrowings, the share of CPs could pick up if short-tenure yields normalise.

Bank funding to NBFCs is expected to moderate in the near to medium term with the impact of RBI circular and further transmission of rate hikes accelerated by deficit liquidity in the banking system.

Share of bank lending to NBFCs declined 30 bps to 9.4% in FY24

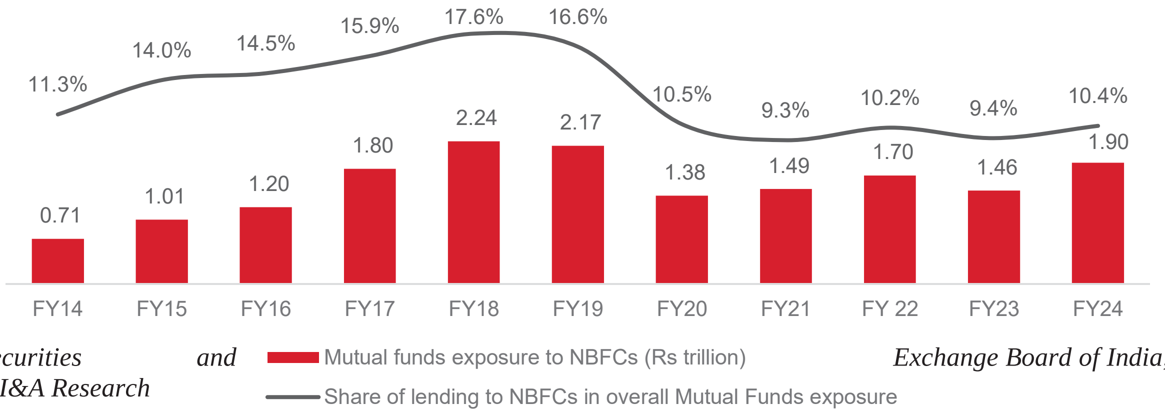


Source: Company reports, CRISIL MI&A Research

Banks credit exposure to NBFCs is estimated to have increased 16% on-year to Rs 15.5 trillion in fiscal 2024 from Rs 13.3 trillion in fiscal 2023. On the other hand, the share of NBFCs in the overall credit exposure is estimated to have declined to 9.4% from 9.7% during the period. The moderation was driven by a dynamic management of banking liquidity which saw lending rates of the overall banks increase and the added impact of the RBI's risk weight circular. The weighted average lending rates on outstanding rupee loans for banks increased from 8.72% in April 2022 to 9.81% in February 2024 (9.83%, if HDFC merger is excluded). Hardening in bank lending rates in relation to other funding avenues such as domestic capital markets and ECBs could lead to further moderation in the share of bank borrowings going forward.

Bank lending to NBFCs has almost doubled in the past 10 years. More recently, amid increasing interest rates, term loans of banks became the preferred source of borrowing as the rates transmitted to bank lending rates with a lag.

Debt Mutual funds' exposure to NBFCs show signs of improvement with share close to 10.4%



Source: Securities and Exchange Board of India, CRISIL MI&A Research

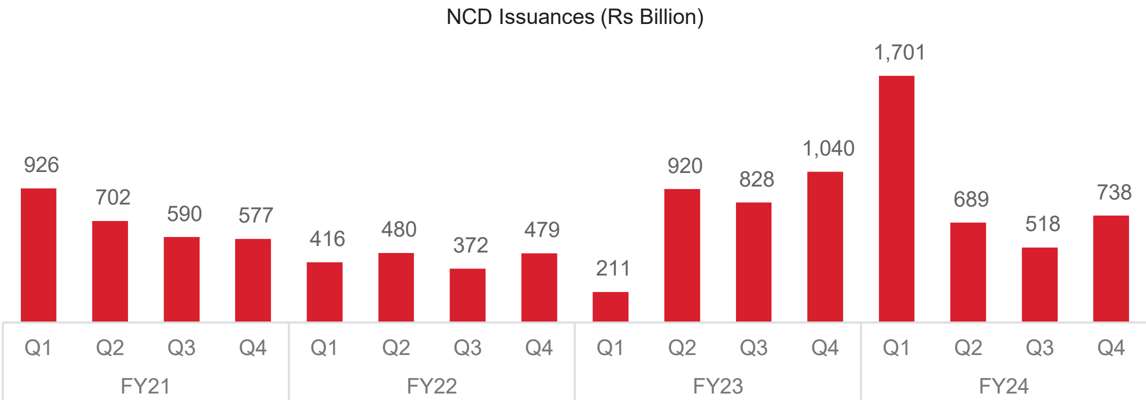
Note: Exposure refers to debt mutual funds

The IL&FS crisis in fiscal 2019 led to funds becoming extremely cautious towards investing in NBFCs. Exposure declined from ~18% in fiscal 2018 to 10% in fiscal 2022, and this trend is expected to continue in the medium term. Large NBFCs that showcased strong performance and resilience in fiscal 2022, and small and medium-sized NBFCs to some extent, are expected to drive mutual fund investments in NBFCs going forward. This is unlike prior to fiscal 2019, when bulk of the investments were in small and medium-sized NBFCs, which in turn aggressively pursued growth.

Mutual funds' exposure to NBFCs totaled Rs 1.90 trillion in FY24, constituting 10.4% of the total mutual fund exposure.

Non-convertible debenture issuances remain a monitorable

HDFC merger and interest rate volatility dampened NCD issuance momentum in the recent quarters



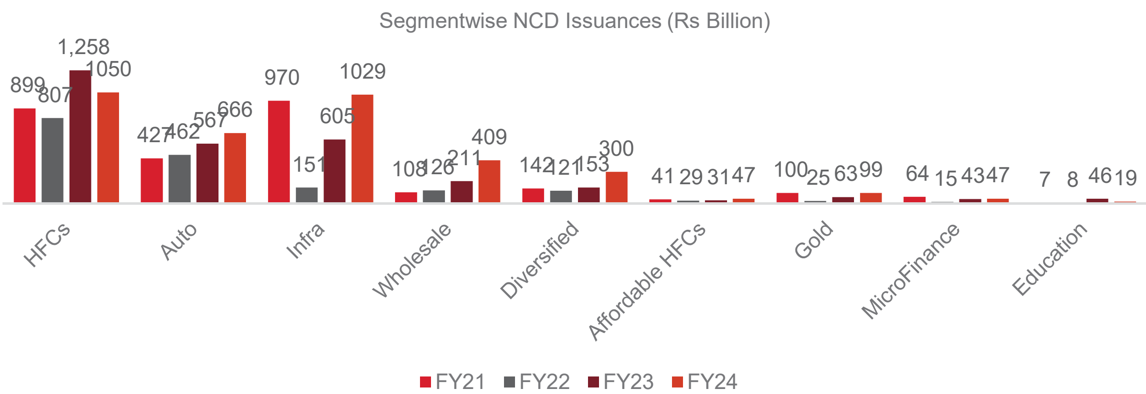
Note: Above data represents trend for key 160 NBFCs forming more than 95% of loans and advances of estimated NBFC sector outstanding

Source: F' track, monthly portfolio disclosures by mutual funds, CRISIL MI&A Research

NCD issuances plummeted after the first quarter of fiscal 2024, impacted by the HDFC merger as a significant issuance was made by HDFC Ltd in May (~37%) and June 2023 (~31%) out of the total issuances of NCDs. Subsequently, the company merged with HDFC Bank with effect from July 2023.

During the last quarter of fiscal 2024 the issuances once again picked up summing up to Rs. 738 billion rising 42% from the previous quarter this brought the total issuances for fiscal 2024 higher by 22% when compared to the total of fiscal 2023.

NCD issuances in the retail segment perform better than wholesale



Note: Top 100 companies by AUM considered for issuances

Source: CRISIL MI&A Research

In fiscal 2023, NCD issuances surpassed fiscal 2020 levels across all retail segments, with the highest increase in education loans on a low base of fiscal 2022. Issuances also picked up in the wholesale segment, driven by infrastructure finance issuers.

In fiscal 2024, total NCD issuances surpassed the 2023 levels by 23% , while total NCD issuances of housing finance companies fell by 17% on year it still made the largest share at 29% followed by Infra finance companies at 28% and auto finance at 17% the three segments form ~75% of the total issuances for the year.

Market broad basing continues with entry of newer originators, including banks

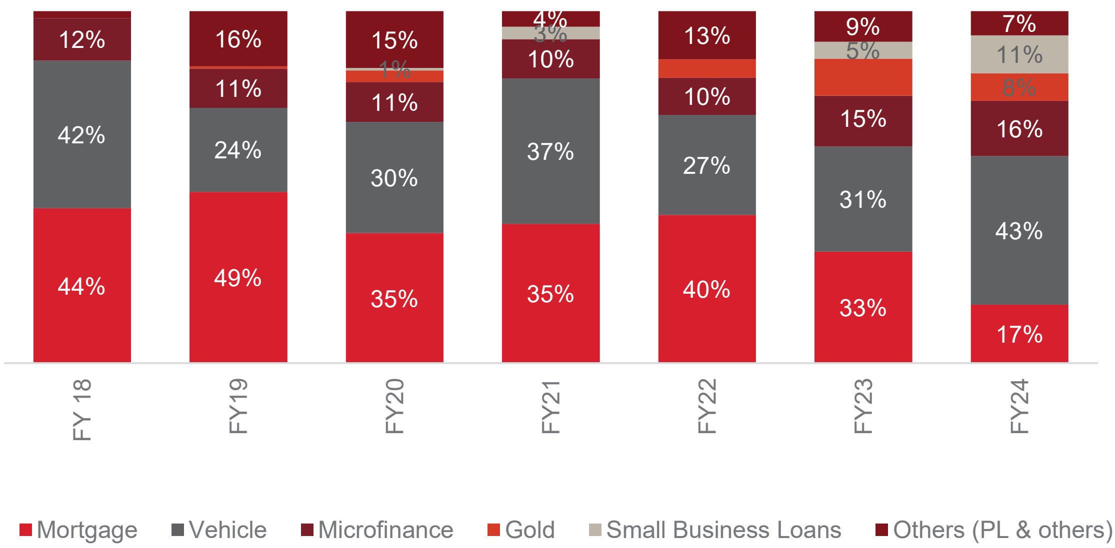
Securitisation issuance crossed the Rs 500 billion mark in the fourth quarter, driving the total to a record high of Rs 1.9 trillion in fiscal 2024, matching the peaks of fiscals 2019 and 2020. This growth was partly fuelled by policy interventions, including government-backed partial credit guarantee schemes for NBFCs.

The number of originators involved in securitisation transactions increased to 165, completing ~1,100 transactions in fiscal 2024, compared with 160 originators and ~1,000 transactions in fiscal 2023. Despite the exit of a major HFC originator from the market, due to its merger with a bank in the second quarter of fiscal 2024, the overall market activity surged, with the growth rate exceeding 5%. Growth adjusted for the significant HFC's volume reached ~27%.

This trend is expected to persist as NBFCs seek to diversify their funding sources following regulatory changes that increased risk weights for bank lending to them. Vehicle loan securitisation dominated the market share in fiscal 2024, accounting for 43%, compared with 31% in fiscal 2023. Microfinance contributed 16%, business loan securitisation doubled to 11% from 5%, while personal loan reached 5% from 4%. In fiscal 2025, the volume mix is projected to shift towards these asset classes, driven by high expectations of credit growth and recent regulatory and corporate actions impacting gold loan and mortgage securitisation.

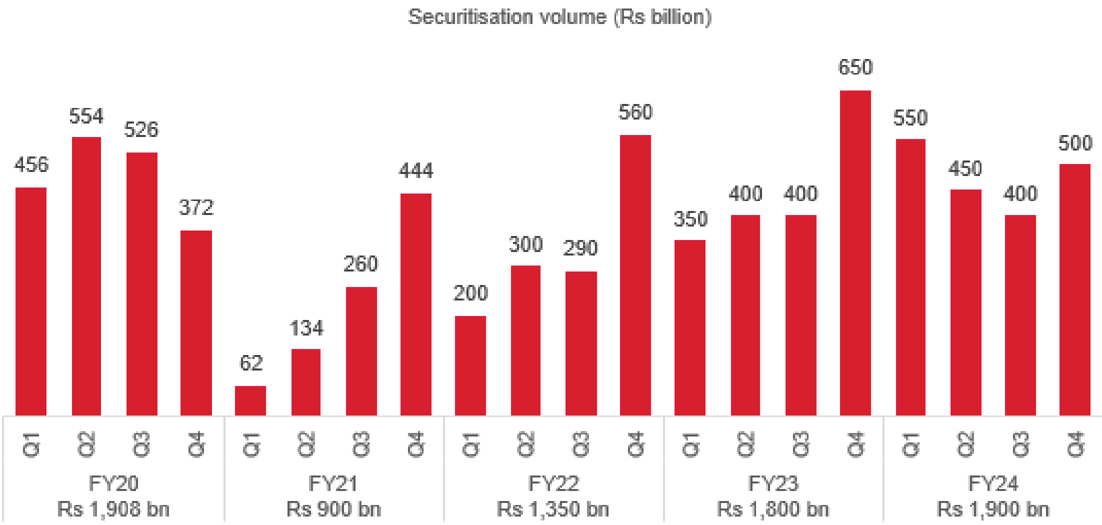
Among investor groups, banks continued to dominate the market, with those in the private sector accounting for 41% of volume, public sector 28% and foreign 20%. Private sector and foreign banks continue to favour pass-through certificates (PTCs), while public sector banks predominantly acquire pools via the direct assignment route. NBFC investors accounted for 8% of the volume. The market also saw participation from other investors such as mutual funds (in PTCs backed by secured vehicle and business loans), insurance companies (in mortgage-backed PTCs) and alternate investment funds (in PTCs across various asset classes).

Securitisation volume unaffected, while non-mortgage loans gain popularity, with PTC expanding its market share



Source: CRISIL Ratings

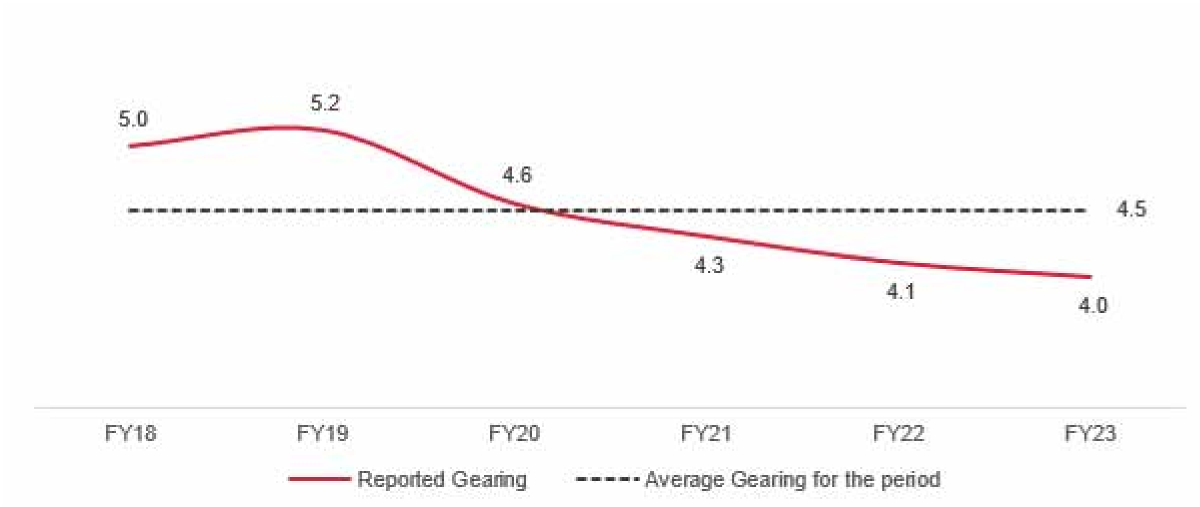
Securitisation volume in fiscal 2024 matches peak of 2020, reaches Rs 1.9 lakh crore



Source: CRISIL Ratings

Gearing comfortable across NBFCs

Comfortable gearing provides cushion for accelerated growth



Note: 100+ NBFCs covered (including HFCs) constituting 81% of the total NBFC market size (excluding PFC, REC and HDFC)
Source: CRISIL MI&A Research

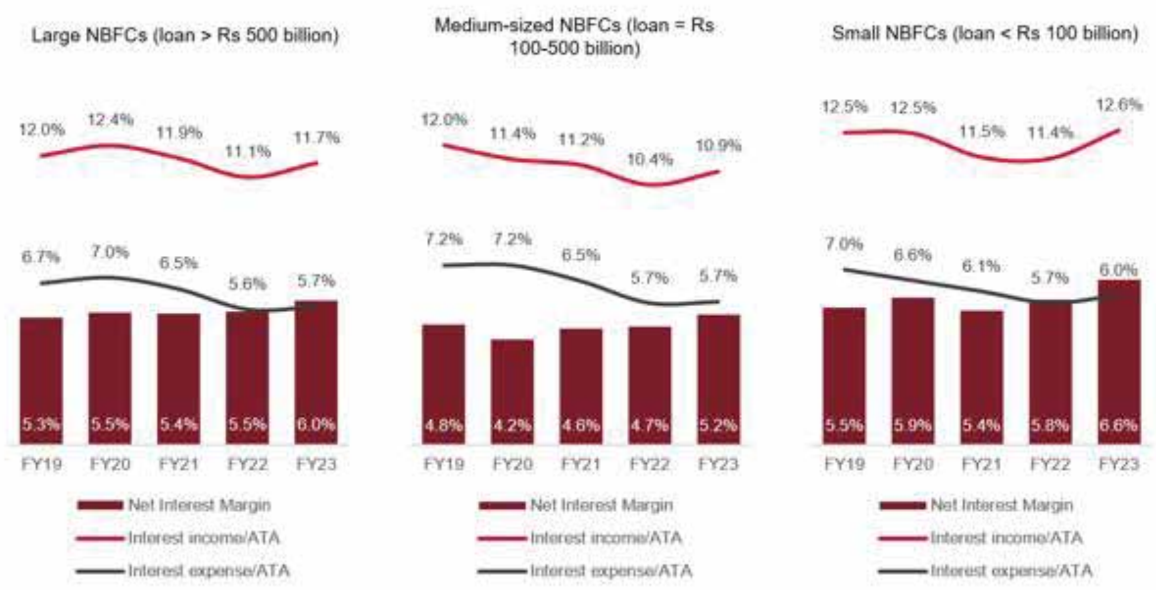
During the pandemic, NBFCs underwent a deleveraging phase as they became cautious in lending to preserve asset quality, which constrained the growth of assets under management (AUM). As a result, gearing declined to 4.0x as of March 2023 from 5.2x as of March 2019. The decline was further supported by healthy internal accrual
post the pandemic, which was a result of pent-up credit demand and low interest rate environment. The pent-up demand drove AUM growth, especially across higher yielding segments, which positively impacted profitability. The low-interest environment translated into lower cost of funds (COF), resulting in higher spreads, which further had a positive effect on profitability. Additionally, segments such as microfinance and affordable housing finance (AHF) also saw equity infusions from impact funds and private equity funds, which further supported gearing in their respective segments.

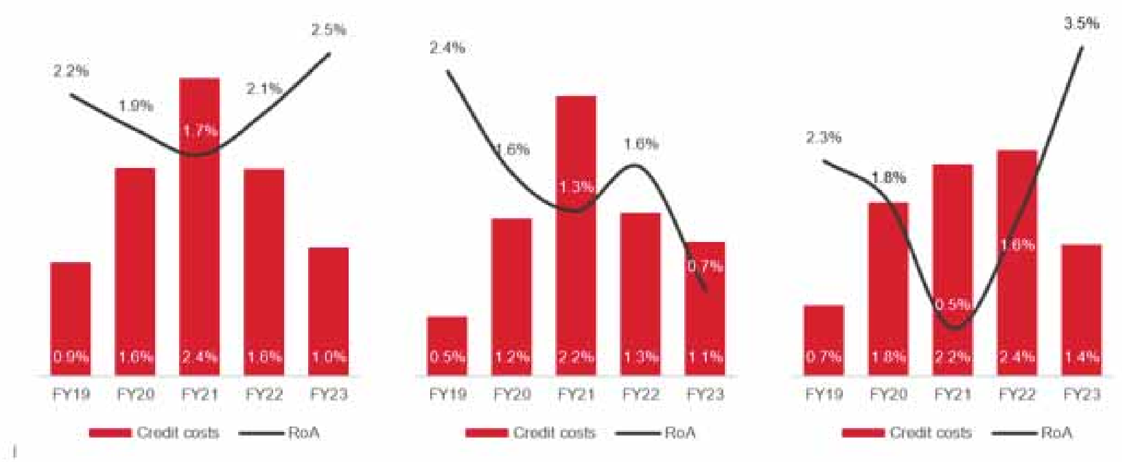
While gearing as of March 2023 remained below the average of 4.5x between fiscals 2020 and 2023, it provides NBFCs a launchpad for accelerated credit growth and a cushion for any asset quality-related shocks in future.
Noting the exuberant growth of unsecured lending against the backdrop of a rising interest rate environment, RBI introduced the risk weight circular as a deterrent to the growth of unsecured loans. As per the circular, the risk weights of all consumers loans for both banks and NBFCs (including credit card receivables) was increased by 25%, excluding loans on housing, vehicle, education and gold. Additionally, the risk weights for exposure by banks to NBFCs where the extant risk weight of the NBFC is below 100% was also increased by 25%.

In response, banks faced an impact of ~85 bps on capital adequacy, whereas the impact was as high as ~200-400 bps for key NBFCs operating in the consumer lending segments. Larger NBFCs rated A- and above and operating in these segments will also face the additional impact on their borrowing cost from bank funding as capital cost for the same increases for banks. Such an increase in COF for these NBFCs could also drive demand for securitisation and co-lending. This could accelerate capital raises by entities for managing loan book growth, while maintaining adequate capital buffers. In short, this could lead to higher capital requirements by the lenders.

Profitability expected to be resilient even as COF inches up

Net interest margin protected by marginal pass on of rising interest rates and deleveraging in fiscal 2023





Note: 100+ NBFCs covered (including HFCs) constituting 81% of the total NBFC market size (excluding PFC, REC and HDFC)

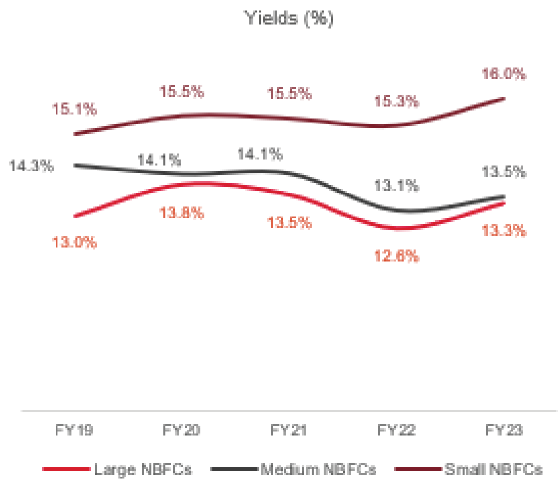
Source: Company reports, CRISIL MI&A Research

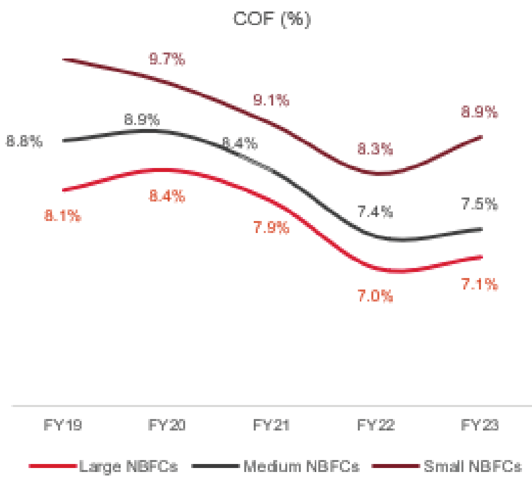
With reversal in the interest rate cycle, the yields and COF are estimated to have increased in fiscal 2023, owing to rising interest rates. Notably, the RBI hiked the policy rate by 250 bps taking repo to 6.50% before a pause in April 2023. This has impacted both the cost of borrowings and yields across sectors and, in turn, net interest margins (NIMs) and return on assets (RoAs).

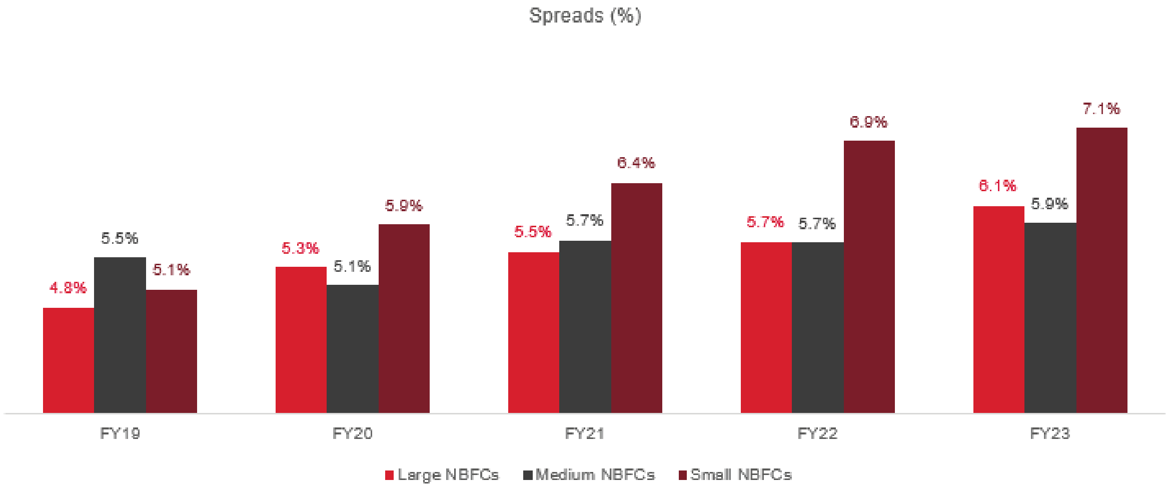
Historically, borrowing costs, yields and spreads have varied significantly across large, medium-sized and small NBFCs. The NBFCs were able to better transmit the hike in interest rates to their borrowers with varying degrees with small NBFCs hiking their yields the highest in fiscal 2023 from 2022. The small group comprised NBFCs such as NBFC-MFIs and AHFs, which typically have better pricing power, compared with other NBFCs. There was a marginal uptick in the costs of funds for NBFCs at various scales with the partial transmission of rate hikes during the same period. In line with yields, small NBFCs reported the highest increase in spreads in fiscal 2023, compared with fiscal 2022, Additionally, the gearing for large and small NBFCs declined, while increasing for medium NBFCs in fiscal 2023, compared with fiscal 2022. With the increase in spreads and decline in gearing, NIMs expanded by ~50 bps each for large and medium NBFCs, respectively, in fiscal 2023, compared with fiscal 2022. NIMs expanded by 30 bps for medium-scale NBFCs. Further, the extent of the impact of the RBI circular on COF and consequently NIM will be monitorable.
RoA for large NBFCs increased in fiscal 2023 by ~40 bps against fiscal 2022, driven by expansion in NIM and decline in credit costs. RoAs for small NBFCs declined by 190 bps in fiscal 2023, aided by high provision writebacks and expansion in credit costs. RoA for medium NBFCs compressed ~20 bps in fiscal 2023, compared with fiscal 2022, driven by high operating costs despite a modest decline in credit costs and expansion in NIMs.

Scale-wise drivers of NIM

Spreads



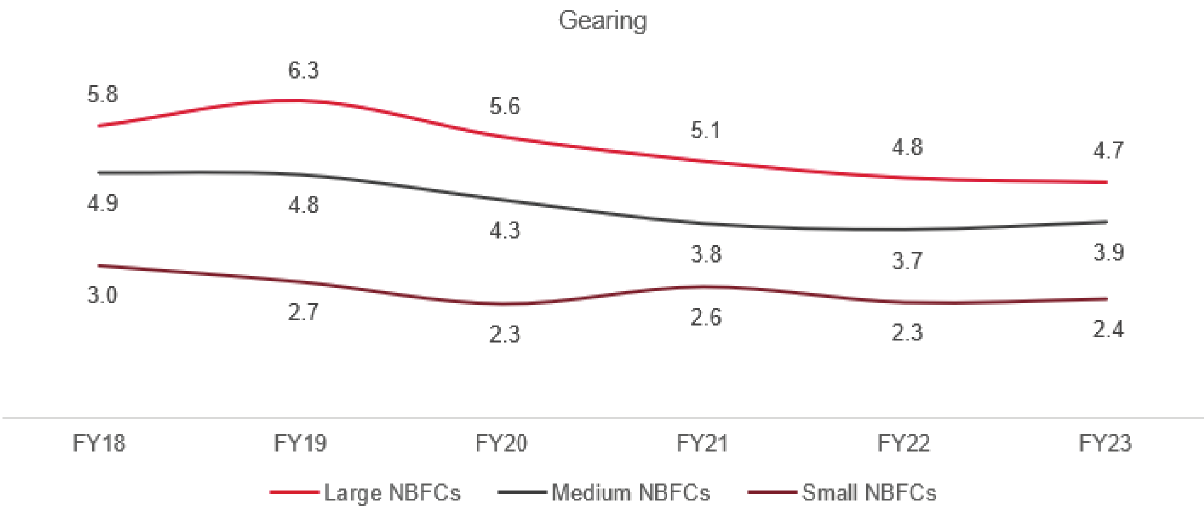




Note: 1) Yield is calculated as interest income as a percentage of average of current and previous year gross loanbook

2) COF is calculated as interest expense as a percentage of average of current and previous year borrowings
3) Spreads is the difference between yields and COF
4) Large NBFCs are defined as those having loanbook greater than Rs 500 billion, medium-size NBFCs are defined as those with loanbook smaller than Rs 500 billion and larger than Rs 100 billion and small NBFCs are defined as those with loanbook smaller than Rs 100 billion
5) 100+ NBFCs covered (including HFCs) constituting 81% of the total NBFC market size (excluding PFC, REC and HDFC)
Source: Company reports, CRISIL MI&A Research

Gearing



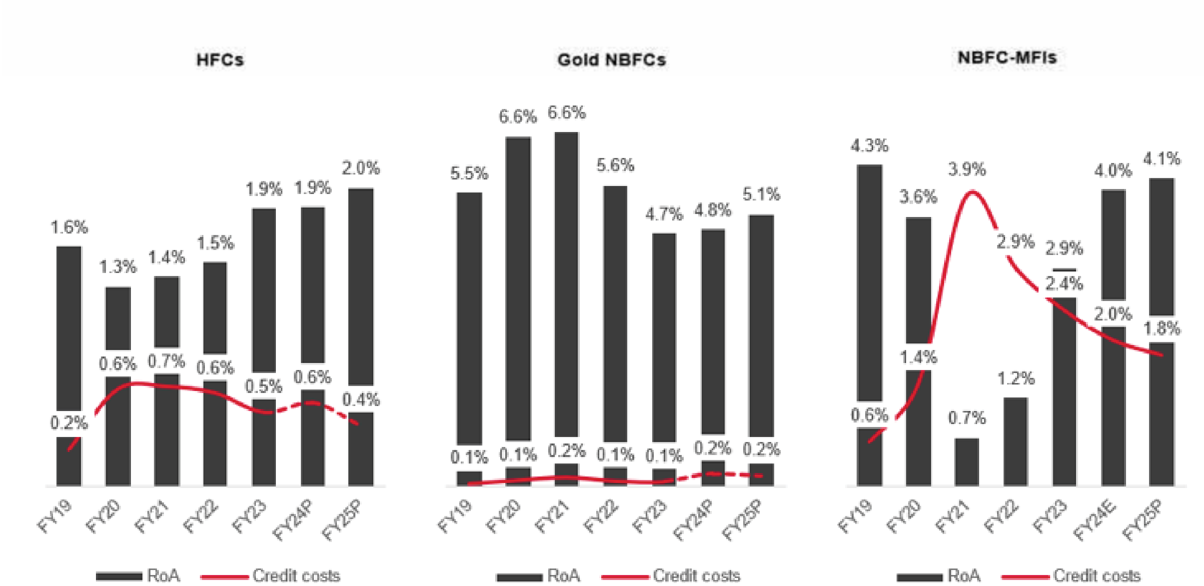
Note:

1) Large NBFCs are defined as those having loanbook greater than Rs 500 billion, medium-size NBFCs are defined as those with loanbook smaller than Rs 500 billion and larger than Rs 100 billion and small NBFCs are defined as those with loanbook smaller than Rs 100 billion

2) 100+ NBFCs covered (including HFCs) constituting 81% of the total NBFC market size (excluding PFC, REC and HDFC)

Source: Company reports, CRISIL MI&A Research

Profitability to inch up on account of improved NIMs



Note: The above ratios are calculated on average total assets

Source: Company reports, CRISIL MI&A Research

Improved NIMs and controlled credit costs are the key reasons for improving or stable profitability outlook in future. In fiscal 2023, the MFI segment, which typically has more pricing power, could improve its NIM. Similarly, the housing segment also improved its NIM, owing to the floating nature of its loan book where it was able to pass on the increase in rates to its customers faster. However, competition from banks and subdued credit demand resulted in NIM compression for the gold segment.

The overall yield and COF for the retail segment are estimated to have gone up in fiscal 2023, due to increasing interest rates. However, the amount of pass-on has been distinct across all segments on account of the level of competition, nature of asset class and segmental credit demand.

The impact of RBI circular on risk weight circular on COF and consequently, NIM and RoA, will be a key monitorable.

Housing: With the aggressive 250 bps repo rate hike in fiscal 2023, the yield on assets increased ~50 bps and the weighted average COF ~20 bps, leading to margins and RoA improving to 3.3% and 1.9%, respectively. CRISIL MI&A Research expects the yield on assets to have improved by 30 bps at 9.5% with the weighted average COF to rise by 50 bps to 6.4%, causing the margins to fall by 10 bps at 3.2% and ROA to remain stable between 1.9%-2.0% in fiscal 2024. The weighted average cost of borrowing is expected to marginally fall by 10 bps to 6.3% in fiscal 2025, owing to a likely drop in the repo rate. However, the yield on assets will rise by 10 bps, due to a lag in the transmission of rates to the final customer translating to a rangebound ROA of 1.9- 2.1%.

Gold finance: The pressure of competition on NIMs of gold loan NBFCs has been offset to some extent with the revival of credit growth. With majority of the teaser loans having been reduced, the yields may have bottomed out. However, at a structural level, the yields will continue to be lower than the pre-pandemic levels in the near-to-medium term, somewhat offset by the steady credit growth at a higher rate of interest. On the other hand, the COF is expected to inch up with further repricing of bank borrowings. Fierce competition, coupled with expansion activities, resulted in higher advertisement and employee benefit costs, keeping the operating costs elevated. Given the improvement in NIM, owing to the aforementioned factors, RoA is estimated to have improved to 4.8% in fiscal 2024, compared with 4.7% in fiscal 2023, and is further expected to improve to 5.1% in fiscal 2025.

Microfinance NBFCs: NIMs improved by 140 bps in fiscal 2023 and are expected to have improved further by ~60 bps in fiscal 2024, with the increasing share of incremental portfolio having originated at higher rates post the implementation of new regulations in fiscal 2023. The credit costs pertaining to the pandemic-related stressed asset quality stabilised in fiscal 2023 at 2.4% from a high of 3.9% in fiscal 2021. With most of the credit costs for stressed assets being absorbed in the past fiscals, the residual credit costs on account of these assets are expected to be lower. Hence, credit costs are expected to have declined to 2% in fiscal 2024 and likely to reduce further to 1.8% in fiscal 2025. Overall, CRISIL MI&A Research expects the RoA to have improved to ~4.0% in fiscal 2024 and reach ~4.1% in fiscal 2025, supported by reducing credit cost and improving NIM.

Gold finance

Review and outlook

Credit growth of gold loan NBFCs rose in fiscal 2024 despite shrinking market share

Banks dominate the gold loan segment

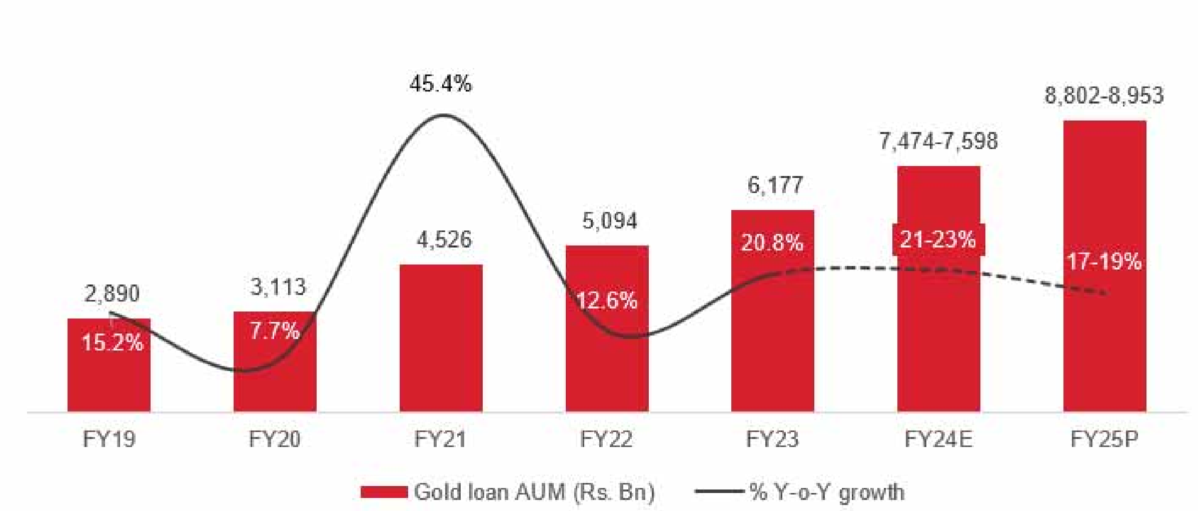
Type	Share (FY24E)	Book (Rs bn) - FY24E	CAGR (FY20-FY24E)	Growth in FY24E	Growth in FY25P
NBFCs	21%	1,551	14.5%	13-15%	11-13%
Banks	79%	5,972	28.2%	23-25%	19-21%
Overall	100%	7,523	24.7%	21-23%	17-19%

Note: E — estimated; P — projected
Source: Company reports, CRISIL MI&A Research, NBFC Report – April 2024 update

The overall gold loan segment (banks and NBFCs combined) is estimated to have expanded 21-23% in fiscal 2024, trending above the 20.9% compound annual growth rate (CAGR) logged between fiscals 2019 and 2023. While credit growth of banks in the segment is estimated to have normalised, that of NBFCs is estimated to have recovered, leading to healthy growth in the overall segment in fiscal 2024, primarily driven by increasing gold prices, an inherently better asset quality performance and better rates of interest.

In fiscal 2025, the overall segment is expected to grow a further 17-19%. Gold loan NBFCs will continue to lose market share to banks amid intense competition in the segment even as their disbursements are expected to recover. Disbursement growth is expected to continue, albeit at a normalised rate.

Gold loan AUM to normalise



Note: 1) E — estimated; P — projected

2) Includes agricultural lending by banks with gold as collateral

Source: Company reports, CRISIL MI&A Research

The firming up of gold prices in India on account of elevated inflation, a global economic slowdown, rupee depreciation and an increase in gold import duty could support the loan-to-value (LTV) ratio of lenders. Rising prices also create headroom for further credit growth.

The customer shift from unorganised to organised players will also support credit growth, largely because unorganised players charge exorbitant rates of interest and provide little clarity on valuation of gold and LTV. Also, there is no assurance that the pledged asset will be returned.
CRISIL MI&A Research believes organised financiers will see their share grow, driven by increasing gold loan penetration in the country through geographical diversification and wider popularity of this mode of financing.

- Organised gold loan penetration in India (computed as gold stock with organised financiers divided by the total gold stock in India) is estimated at ~7% as of March 2023, indicating significant headroom for organised gold loan market growth. It is expected to deepen due to wider geographical diversification, a growing branch network and increasing keenness of households to monetise their gold holdings for personal and business needs. The increase in gold prices and expectations of micro enterprises to fund their working capital requirements through these loans are also expected to boost gold financing growth
- According to CRISIL MI&A Research, owing to increasing awareness about the benefits of availing gold loans from the organised segment, the share of organised gold loan financiers increased from 56-58% in fiscal 2017 to ~61% (in terms of value) in fiscal 2023. The trend is expected to continue and the share of organised players is likely to improve further to ~63% in the near to medium term

The organised segment has been using digital and online platforms, along with phygital (combination of physical and digital) modes to do business. In fact, the growing uptake under these modes is expected to be the primary growth driver.

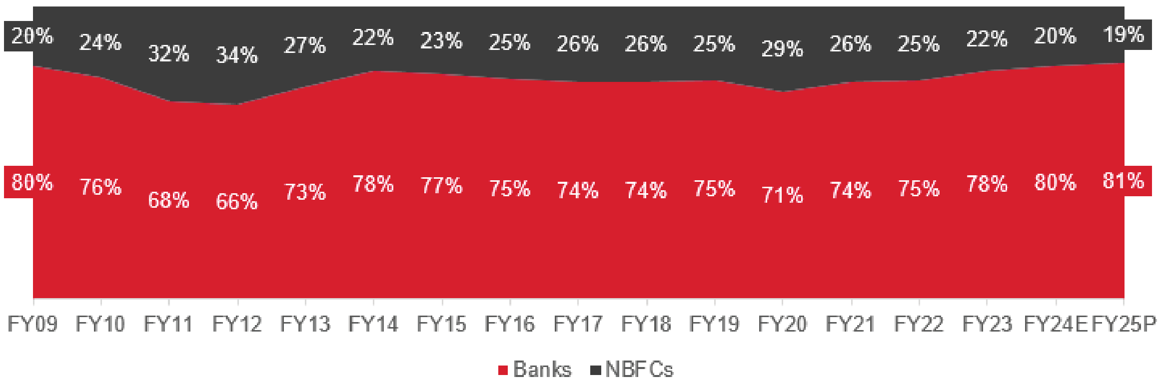
Market share interplay between banks and gold loan NBFCs

Banks have enjoyed a majority share in the domestic gold loan business historically. Their share increased significantly whenever there was a major disruption in the financial markets, such as the Global Financial Crisis of 2008, the taper tantrum of fiscal 2014 and the onset of the pandemic in fiscal 2021. Banks perceive gold as a product with relatively better asset quality as it is a liquid collateral. Not only does it offer a higher rate of interest but also, gold prices are likely to increase. In fiscal 2021, during the peak of the pandemic, an increase in the regulatory cap on LTV to 90% for a year provided banks further incentives to focus on the safer gold loan segment. After fiscal 2021, despite lowering of the regulatory cap on LTV to 75%, banks continued to grow in the segment, as the country reeled under the impact of the second pandemic wave and subsequent reimposition of lockdowns. The major focus of banks has been on growing the agri-gold loan book which is also given priority sector lending (PSL) benefits.

With banks aggressively focusing on the segment, gold loan NBFCs have seen a sustained reduction in their share, including in the last fiscal. Banks are competing in the gold loan segment by focussing on agri-gold loans, which qualify for priority sector lending, along with offering lower interest rates to existing-to-bank (ETB) customers in higher ticket sizes. Gold loan NBFCs compete on turnaround time (as low as 5-15 minutes), service levels and ease of processing.

Even as NBFCs are expected to further lose market share this fiscal, the overall gold loan segment is expected to continue to expand with banks leading credit growth, at least in the near term.

Banks to continue to outpace NBFCs, gain market share in the near to medium term



Note: 1) E — estimated; P — projected

2) Includes agricultural lending by banks with gold as collateral

Source: Company reports, CRISIL MI&A Research

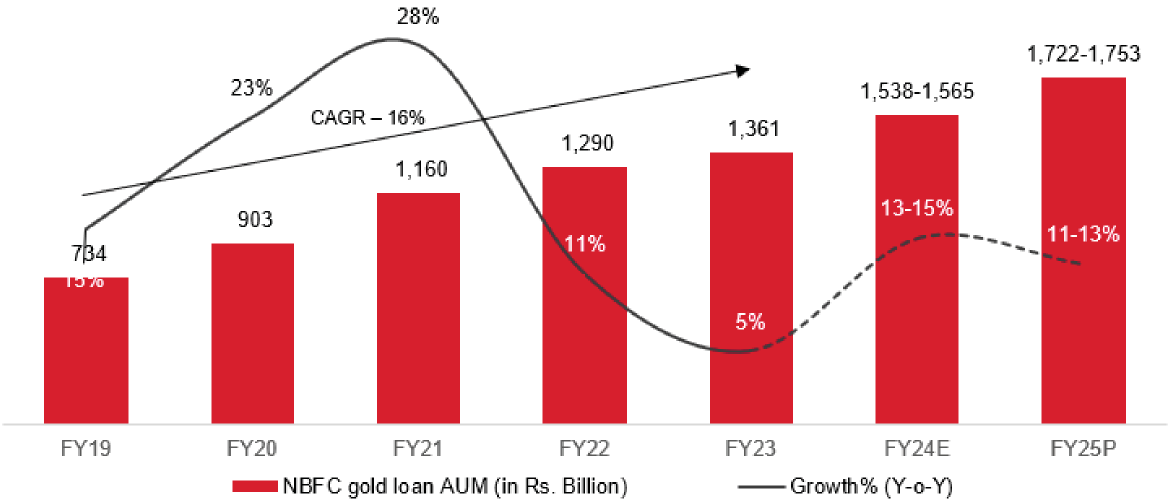
NBFCs compete on operating efficiency, turnaround time and local connect while managing risks

Despite banks having a competitive advantage by offering gold loans at a lower cost, NBFCs have been trying to compete through aggressive branch expansion and a sharper focus on customer experience. They focus more on the gold loan business and have, accordingly, built their service offerings by investing significantly in manpower, systems and processes in line with customer needs. Some key features are listed below:

1. Lower turnaround time and less documentation: The borrower generally wants to get the loan disbursed as quickly as possible. Availability of well-trained and experienced employees in assessment and valuing gold helps NBFCs disburse loans faster than banks
2. Wider reach and better local connect: NBFCs have a wider and deeper reach geographically, especially in rural and semi-urban regions, where the demand for gold loans is higher
3. Risk management process: Most NBFCs have put in place a comprehensive and robust risk management process based on their experience and considering the key risks involved. These include steps to prevent fraud, ensure safety of the gold stored and recoup losses from possible non-performing assets

Growth in NBFC gold loan disbursals moderated further in fiscal 2023, owing to increased competition from banks and lower rural credit demand. Also, as cash flows improved following a rebound in economic activity, borrowers began repaying the loans and redeeming their gold. However, with a recovery in rural credit demand, expansion and optimisation of gold loan branches, credit growth is estimated to have recovered in fiscal 2024.

Loan book growth of gold loan NBFCs to improve amid rising gold prices



Note: P — projected

Source: Company reports, CRISIL MI&A Research

Looking to compete more effectively with banks and fintechs, gold loan NBFCs are expanding their reach and customer base through focused marketing strategies, and also by increasing advertising and employee incentives. They are also working towards ringfencing their high-value customer base (loans >Rs 2 lakh), which is targeted by the banks, and expanding to cater to rural low-income customers. The majority of customer base of gold loan NBFCs, though, remains stable, as banks typically cater to higher ticket sizes.

NBFC growth logged a 16% CAGR between fiscal 2019 and fiscal 2023 despite marginal growth of 5.5% in fiscal 2023. CRISIL MI&A Research estimates credit growth of gold assets under management (AUM) to have risen 13-15% in fiscal 2024 and projects growth of 11-13% in fiscal 2025 on account of branch expansion and optimisation, expected firming up of gold prices and an increase in credit demand from the target consumer segment of NBFCs.

The average ticket size of gold loans has been rising over the past five years, as higher gold prices have created headroom for incremental credit due to lowering of the LTV ratio. Since the LTV ratio for NBFCs is capped at 75%, the increase in average ticket size suggests a rise in the gold loan portfolio owing to higher gold prices. Thus, AUM growth is also led by an increase in ticket size, in addition to higher volumes.

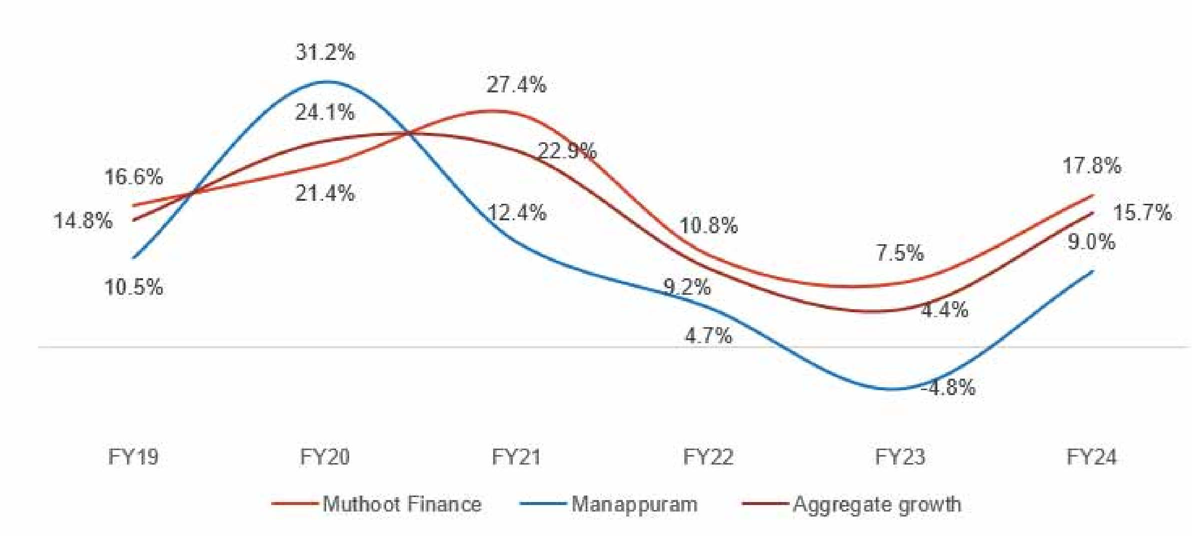
Increase in average ticket size contributed to loan book growth

Average ticket size (Rs lakh)	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Manappuram Finance Limited	0.33	0.39	0.45	0.57	0.58	0.59
Muthoot finance	NA	NA	0.61	0.69	0.76	0.83
IIFL Finance Limited	0.58	0.56	0.59	0.70	0.63	0.90

Source: Company reports, CRISIL MI&A Research

Credit growth of top two gold loan NBFCs accelerates further on-year in the third quarter of fiscal 2024

Muthoot Finance and Manappuram Finance together enjoyed a 60% share of the NBFC gold loan market as of March 2023 and Muthoot Fincorp, IIFL Finance, Shriram Finance, Muthoot Mini Financiers, Bajaj Finance and Kosamattam Finance were the other key players. The top two have an established franchise, a strong regional presence and a good branch network and reach. However, intense competition from banks and improving cash flow of borrowers have been challenging their growth.



Source: Company report, CRISIL MI&A Research

The top two companies have taken various steps to maintain their market share. Apart from making significant investments in marketing and employee benefits, they also introduced teaser loans in fiscal 2022. Subsequently, a majority of teaser loans were closed or migrated to higher interest rates as of March 2023.

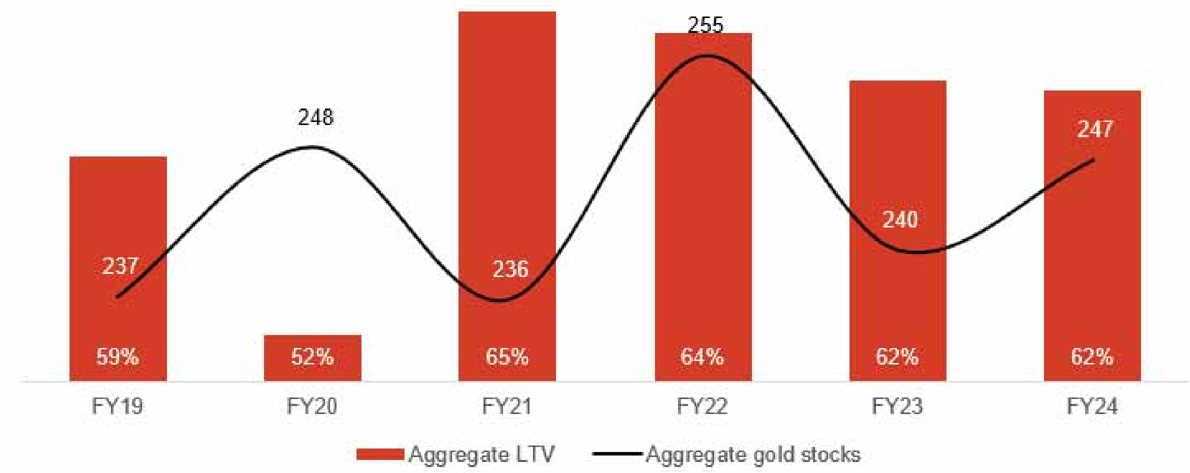
Specialised gold loan NBFCs have a focused approach and their technological initiatives enable customers to transact online.

But amid increased competition from banks, along with higher gold prices, their performance will remain a key monitorable in the near to medium term.

Credit growth supported by gold prices

Gold stocks of the top two NBFCs were declining for much of fiscal 2023 before reporting a moderate uptick in the last quarter. The uptick in gold stocks is estimated to have continued in fiscal 2024. Despite the rise in gold stocks, LTVs remained elevated at 67-69% in the first and second quarter of fiscal 2024 before moderating to ~64% in the third quarter due to softening of gold prices during the first and second quarter of fiscal 2024 before recovering in the third quarter.

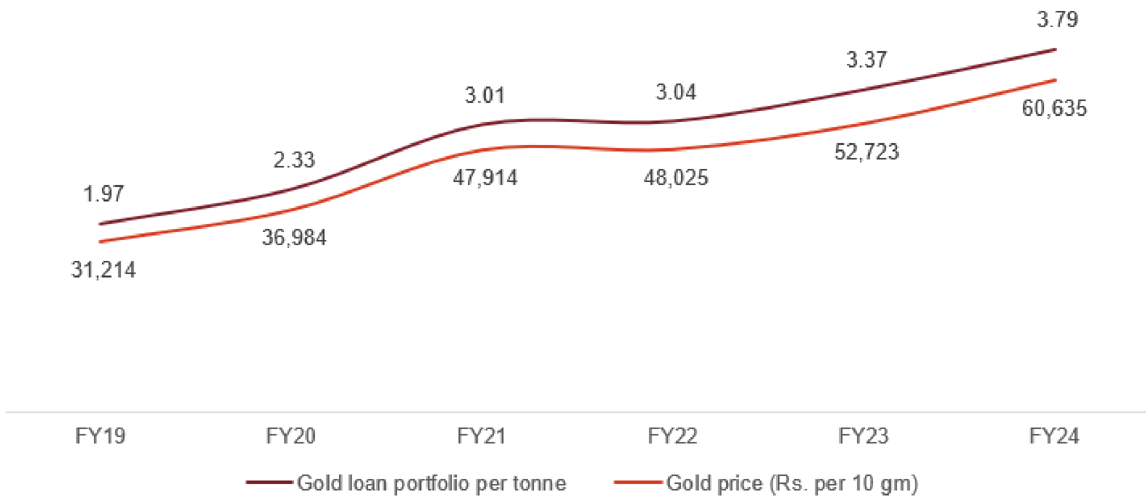
Interplay between gold stocks and LTV



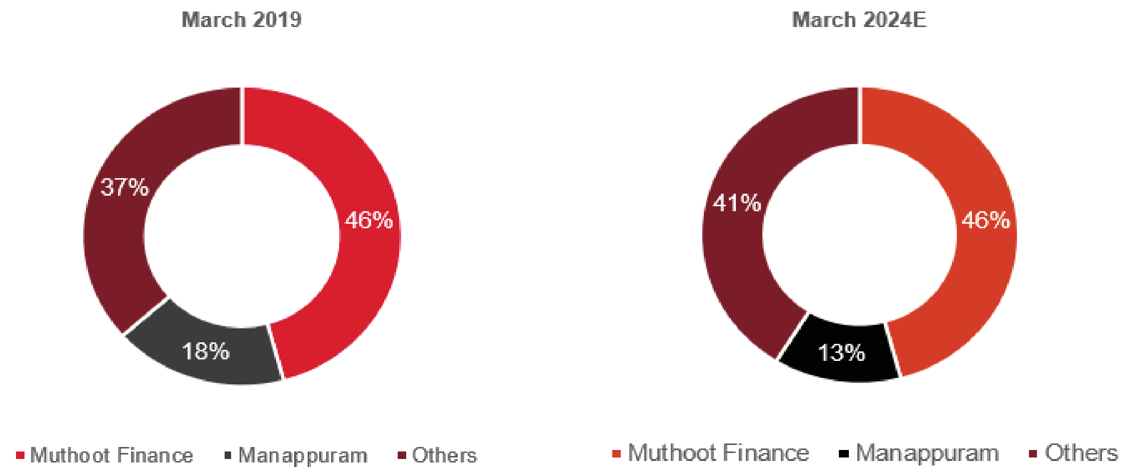
Gold loan book per tonne indicates growth fuelled by gold prices

The gold loan book per tonne increased from Rs 1.97 billion in fiscal 2019 to Rs 3.68 billion in the third quarter of fiscal 2024 largely in line with higher gold prices as shown in the exhibit below.

Such a strong correlation between loan book growth and gold prices indicates that any adverse movement in prices will have an adverse effect on credit growth.



Market share shift among gold loan NBFCs

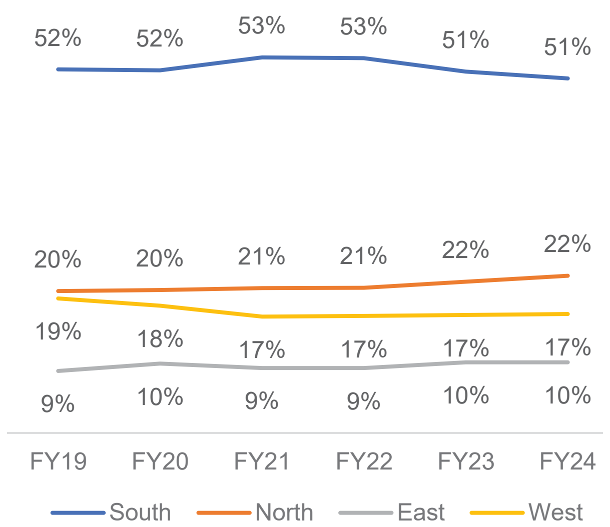


Source: Company reports, CRISIL MI&A Research

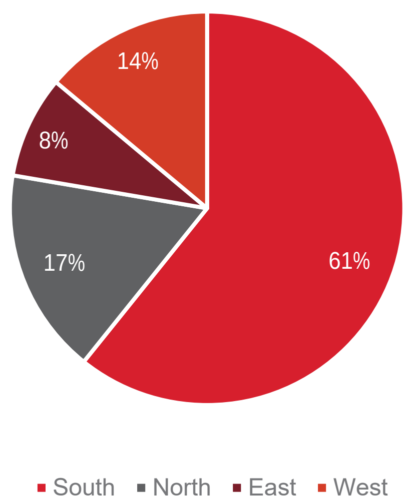
Southern India retains a major share of AUM

Southern India will continue to have a dominant share in AUM of gold loan NBFCs, though the players will increase their penetration in other regions. Changing consumer perception of gold loans, driven by increasing awareness and funding requirements, will give an impetus to the sector in the other regions.

Region-wise share of AUM of top two players



Region-wise share of branches in fiscal 2024



Note: Aggregate includes Muthoot Finance and Manappuram Finance

Source: Company reports, CRISIL MI&A Research

Demand for gold loans higher in southern states

Southern states accounted for 50-55% of the overall gold loan AUM over the past five years due to the following factors:

- Gold owners in the region have better awareness about the utility of the yellow metal as a collateral to raise funds

- The region has seen the origination and establishment of gold loan franchisees, which have devised simple procedures that ensure quick loan disbursement

Though the south continues to dominate, several players have been shifting focus to untapped markets in the eastern and western regions, where there are fewer branches but they provide an incremental growth opportunity.

GNPAs of gold loan NBFCs improve moderately last fiscal

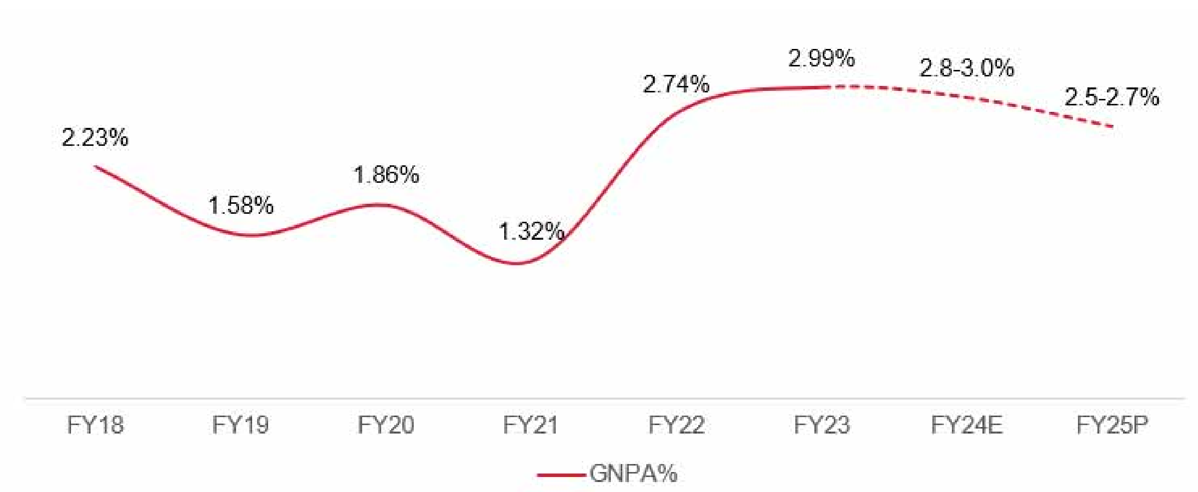
Decline in NPA post rise in fiscal 2023

Gross non-performing assets (GNPAs) of key gold loan NBFCs, despite remaining elevated, are estimated to have eased on-year last fiscal, supported by both customer repayments, auctions and sale of NPAs to asset reconstruction companies (ARCs).

CRISIL MI&A Research estimates the GNPAs to have improved to 2.80-3.00% (2.99% in fiscal 2023), owing to better collection efficiency and lower slippages, recovery via auctions and sale of stressed assets. It should be noted, though, that since gold financing involves personal connect with customers, gold auctions tend to be the last resort for recoveries. Typically customers somehow repay and, thus, the NPAs get resolved.

Going forward, volatility in gold prices could pose downside risks to asset quality of an otherwise relatively safe segment.

GNPAs to ease from the current high



Notes: E – estimated; P – projected
Source: Company reports, CRISIL MI&A Research

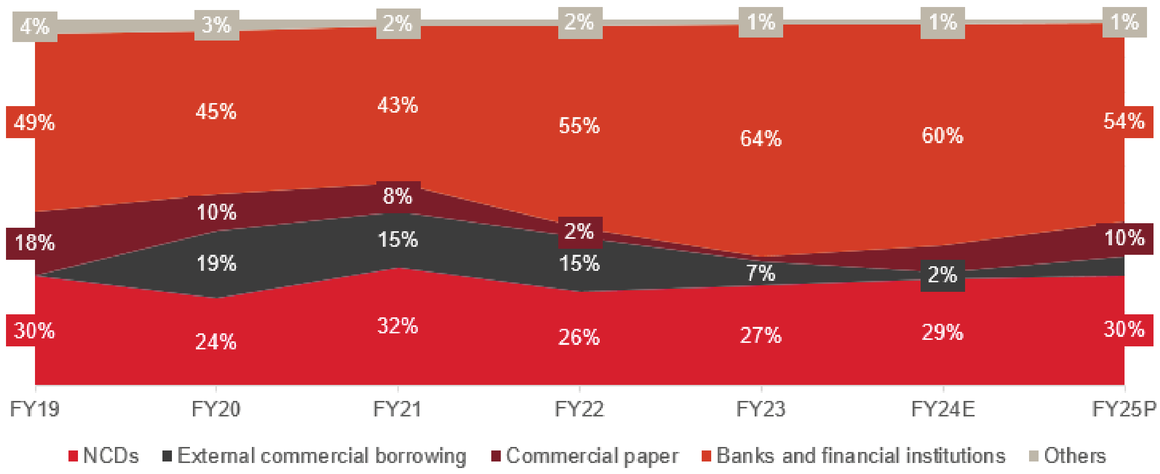
GNPAs of the top two gold financiers are estimated to have cooled down to 2.8-3.0% in fiscal 2024 from 3.21% a year back. One of them had seen NPAs decline through recoveries and sale of NPAs to an ARC. The stress on asset quality could be because of a combination of factors such as migration of teaser loans to higher rate of interest and loosening of credit filters in fiscal 2023 for achieving growth.

However, further slippages on account of migration of teaser loans to higher rates could be limited since nearly the entire teaser loan book has already been migrated. Also, given the liquid nature of collaterals and steady gold prices, the ultimate loss given default (LGD) would be modest.

In fact, the LTV ratio of gold loan NBFCs is 60-70%, thereby providing sufficient buffer against fluctuation in gold prices. Lenders ensure adequate provisioning as well, supported by residual provisions taken during deterioration in asset quality at the peak of the pandemic in fiscal 2022. That said, any volatility in gold prices could translate into higher LGD rates, thereby resulting in an increase in expected credit loss (ECL) provisioning.

Borrowing mix – banks remain main funding source

Gold loan NBFCs dependant on bank funding



Notes: E – estimated; P – projected

Source: Company reports, CRISIL MI&A Research

Repricing of bank borrowing to result in upside risk in cost of borrowing

At the peak of the pandemic, gold loan NBFCs carried high liquidity on their balance sheets. The low interest rate environment supported their cost of funds at the time.

However, the reversal in the interest rate cycle has had an adverse impact. As the share of borrowings from banks and financial institutions remains elevated in the NBFCs' borrowing mix, their borrowing cost is expected to rise further owing to interest rate reset.

Gold loan NBFCs have also raised additional funds through overseas borrowings, among other sources. Given the global economic uncertainty and hardening of interest rates, some NBFCs, including the top two players, prepaid their external commercial borrowings (ECBs) in the first half of fiscal 2024, though in the second half of the fiscal, a key player raised $500 million from overseas.

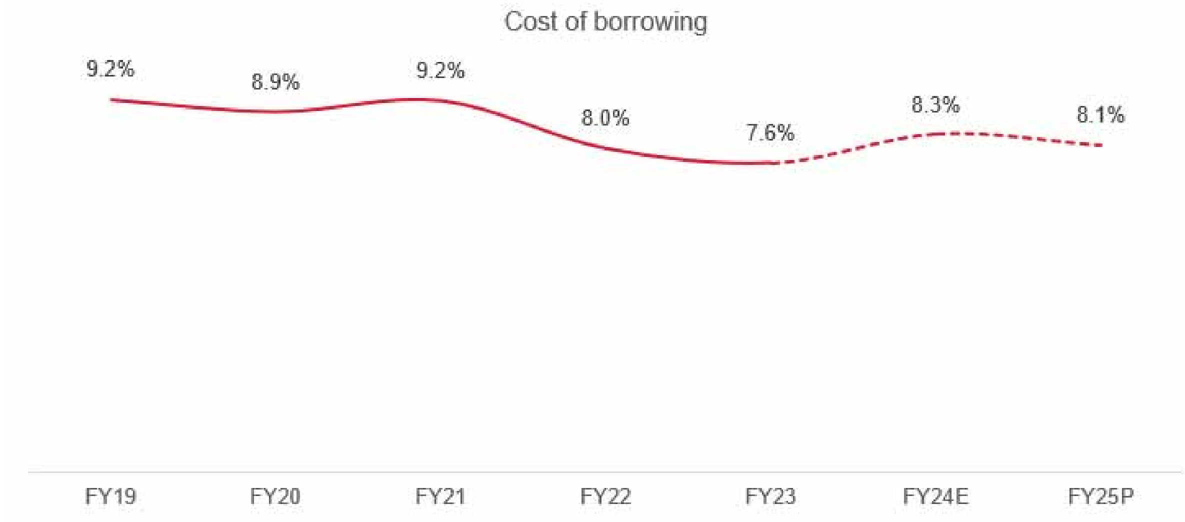
The share of ECBs in the borrowing mix will remain a monitorable amid the interest rate movements globally and relative pricing of other borrowing options.

NBFCs are also issuing non-convertible debentures (NCDs) and commercial papers at competitive rates. Overall, the high ratings of the top two players help them raise borrowings at competitive rates. CRISIL MI&A Research expects their borrowings from banks to reduce in favour of NCDs and ECBs to some extent this fiscal given the rising lending rates of banks and relatively cheaper other funding options.

In fiscal 2023, the overall borrowing cost (interest expense on average borrowing) of gold NBFCs had declined ~36 basis points (bps) on-year (largely driven by Muthoot Finance) on account of higher proportion of fixed rate in the borrowing mix and low-cost debt raised in the low interest rate environment during the peak of the pandemic.

However, in the first half of fiscal 2024, the cost of funds trended upwards as bank borrowings underwent repricing and proportion of low-cost borrowings in the borrowing mix came down. The trend is estimated to have continued throughout the fiscal with the cost of funds increasing ~71 bps on-year largely driven by bank borrowings, which form the largest chunk of NBFC loans. Bank lending rates had gone up last fiscal following the Reserve Bank of India's (RBI) rate hikes. Additionally, it is important to note that this segment has remained shielded from any impact of the RBI's risk weight circular as it was excluded from its ambit.

Cost of borrowing to inch up owing to repricing of existing and incremental debt



Note: P – projected
Source: CRISIL MI&A Research

Despite uptick in cost of funds, profitability to improve owing to credit growth pick-up

Impact of competitive pressure on yields could ease as loan book growth picks up

While a contraction in net interest margin (NIM) had impacted NBFC profitability in fiscal 2023, a recovery in it is estimated to have improved profitability in fiscal 2024.

Yields have been declining for various players amid acute competition from banks. In fact, competition continues to put pressure on NIMs of gold loan NBFCs. Typically, banks offer gold loans at a lower yield of 7-15% because of their low cost of funds, while NBFCs charge 18-24%. Banks felt the initial effect of competition when certain NBFCs introduced teaser rate loans, which adversely impacted yields in the segment. With majority of the teaser loans ending, the yields may have bottomed out. However, at a structural level, yields of gold loan NBFCs could continue to be lower than pre-pandemic levels in the near-to-medium term.

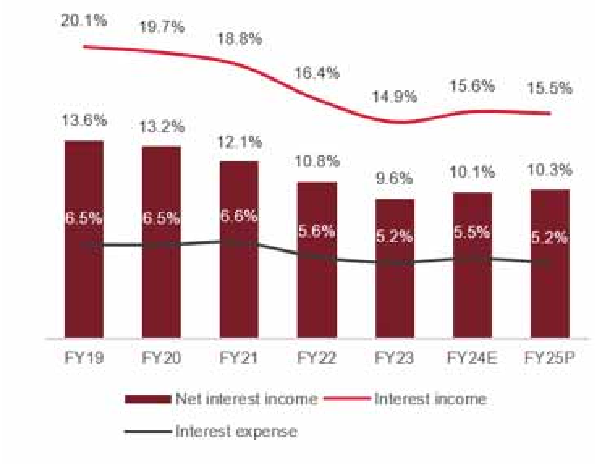
Hence, the NIM is estimated to have expanded in fiscal 2024, benefitting from a revival in portfolio growth and cooling off of competition from banks. NIM is forecast to expand further this fiscal driven by the softening cost of funds and steady portfolio expansion.

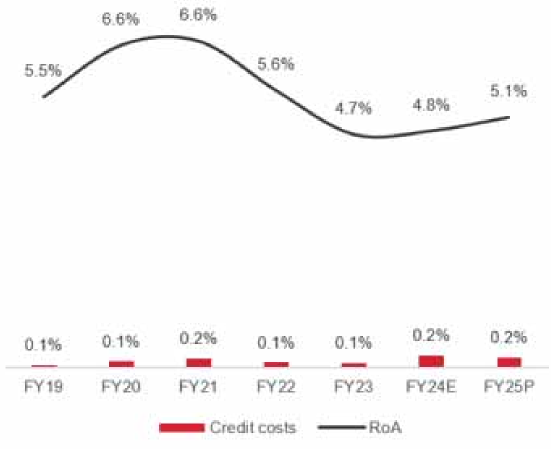
Also, operating cost as a percentage of total average assets is estimated to have increased further last fiscal in step with the portfolio growth. This is expected to tone down this fiscal as operating efficiencies set in with healthy portfolio growth.

A modest uptick was estimated in credit costs in fiscal 2024 as GNPA remained steadily above historical levels, only to be offset by auction and sale of NPAs to ARCs. However, with respect to sale to ARCs, the write-offs remained negligible owing to the value and liquidity of gold as collateral, thereby limiting credit costs. Additionally, higher gold prices will lower the LGD for ECL calculation, resulting in lower provision, leading to further buffering of credit costs, assuming stable LTV levels. Credit cost is expected to decline in fiscal 2025 in line with projected NPA levels.

Overall, return on assets (RoA) is estimated to have improved in fiscal 2024 and is expected to further improve this fiscal on account of better NIM and controlled credit cost.

RoA improved last fiscal with easing in NIM pressure





Notes: E – estimated; P – projected

Aggregate includes Muthoot Finance and Manappuram Finance

Source: Company reports, CRISIL MI&A Research

Industry overview

While gold loans lost their sheen in fiscal 2023, structural tailwinds support growth

The gold loan market is sensitive to movement in gold prices. An increase in gold prices lowers the LTV, creating headroom for incremental credit growth for the same collateral. However, an adverse movement could result in calling the loan early or calling for additional margin to maintain the LTV below the regulatory cap of 75%. Hence, a sustained downward movement in gold prices adversely impacts credit growth in the segment.

That said, given the liquid nature of the collateral, gold loans are easier to liquidate, and therefore, recover. Additionally, firming up of gold prices could lower LGD during the ECL calculation, which could result in a lower provision cover. Thus, any weakening in gold prices would result in higher LGD and higher provision cover.

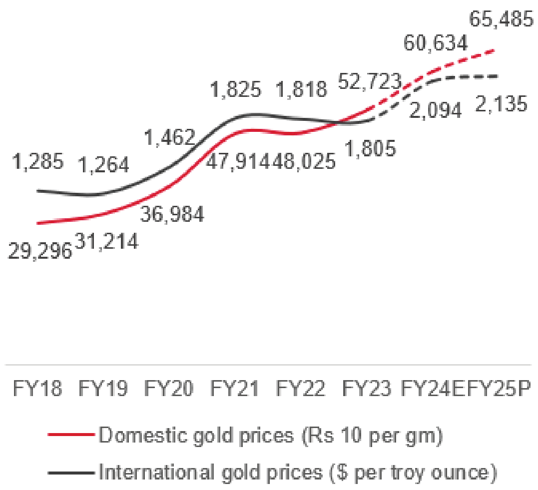
However, given the significance of gold and sentimental value attached to gold jewellery in Indian culture, customers typically ensure loans are repaid and the ornaments are redeemed. Hence, there is relatively low rate of delinquencies in the segment.

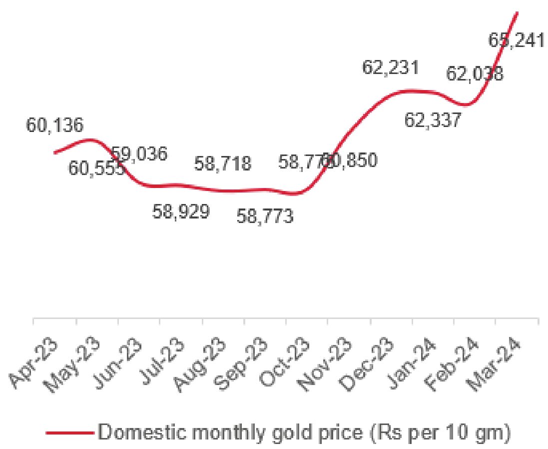
Factors supporting gold loan AUM growth

Rising gold prices

International gold prices are expected to inch up this fiscal, given the higher inflation outlook, higher US Federal Reserve funds rate and a possible global slowdown. In Indian markets, the rupee's depreciation and increased import duty on gold supported a rise in the prices of yellow metal last fiscal. However, a slowdown in discretionary spending would have impacted consumption and, thereby, demand. Tapering gold imports on a quarterly basis indicate muted demand.

International and domestic gold prices to rise this fiscal





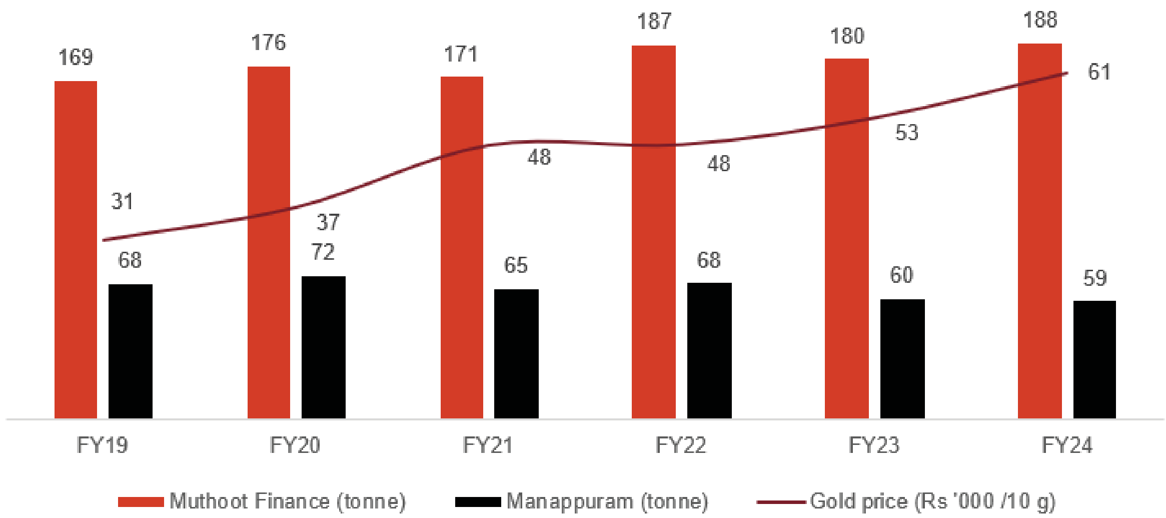
Note: E: Estimated; P: Projected
Source: Company reports, CRISIL MI&A Research, World Gold Council, World Bank

Modest rise in gold stocks

Gold stocks in fiscal 2023 had remained at fiscal 2022 level because of subdued credit demand growth amid high competition and increase in gold prices.

However, in fiscal 2024, gold stocks increased led by a rise in AUM and a stable price trajectory. This fiscal, the stocks are expected to increase driven by a steady growth in loan book. Further, LTVs are estimated to have remained range bound in fiscal 2024 remaining under the regulatory cap of 75%.

Stagnant credit growth and rising gold prices lower gold stocks in fiscal 2023



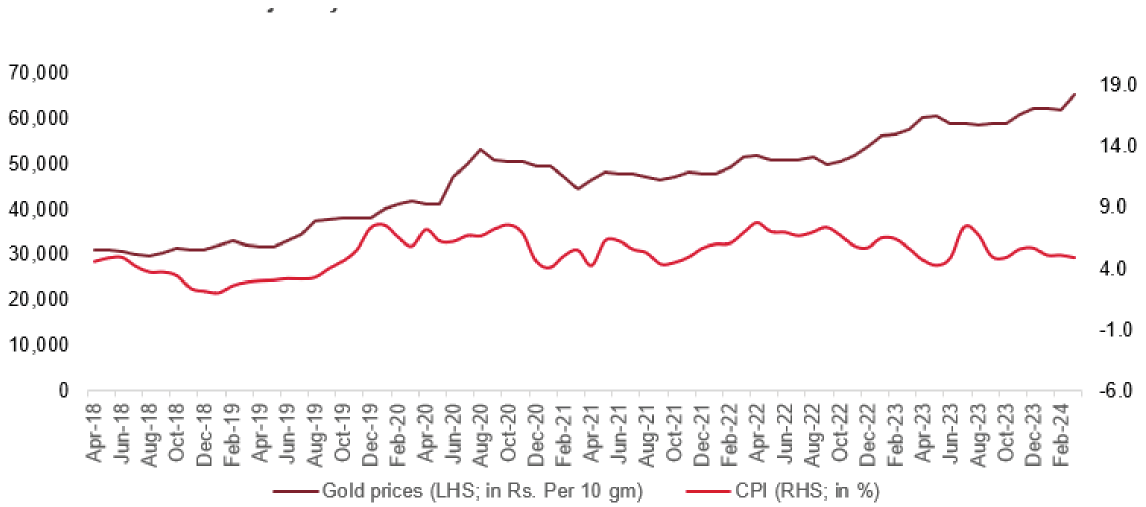
Source: Company reports, CRISIL MI&A Research

Gold, a hedge against inflation

Between fiscals 2019 and 2023, gold prices trended in line with the Consumer Price Index (CPI)-based inflation. The current trend of rising inflation started during the peak of the pandemic, when supply chains got disrupted, governments increased spending and interest rates were cut and remained low for an extended period.

With inflation cooling off after the first wave of the pandemic, the retail inflation crossed the upper band of the RBI's inflation target of 6% in May 2021. At the time, the average monthly gold price was ~Rs 48,084 per 10 gm. Over the subsequent months, gold and inflation moved higher, with the CPI inflation topping 7.8% in April 2022 and gold hitting its cycle high of Rs 52,023 per 10 gm. Subsequently, CPI began to cool off. In November 2022, it printed 5.9% on-year and gold prices declined to Rs 51,859 per 10 gm. After that, until February 2024, inflation remained sticky and gold prices rose, too.

Gold mirrors inflation trajectory



Source: CRISIL MI&A Research

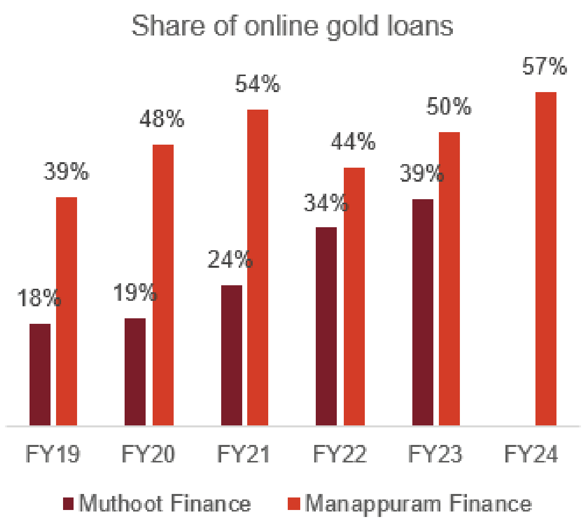
Online gold loan schemes

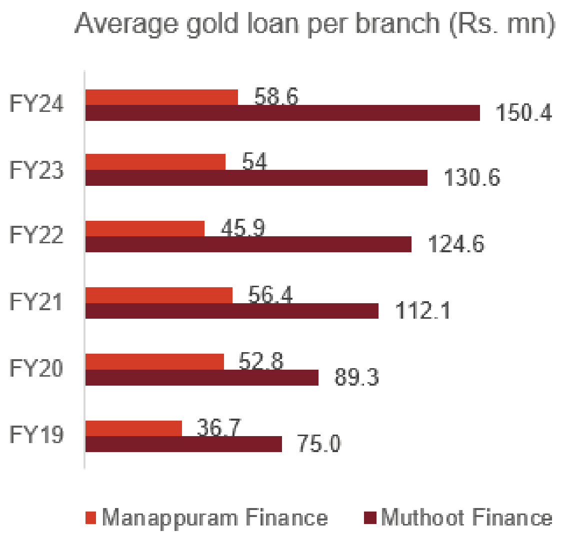
Online gold loan schemes enable consumers to avail gold loans from the convenience of their homes. Several gold loan providers have tied up with banks and payment gateway service providers to facilitate this service.

Applying for gold loans online is quicker with sanctions coming in within a few hours. Digital loan products can be accessed via mobile applications, online platforms, with prepaid cards, etc. Know-your-customer checks, registration and disbursements are all done online. Some of the NBFCs require borrowers to personally deliver the gold to their nearest branch. However, there are a few others that provide doorstep services, under which verification and collection of gold ornaments is done at the customer's residence. The process is managed through a central application that can be simultaneously accessed by all branches.

Manappuram Finance was the first gold loan NBFC to launch online services in September 2015. Muthoot launched its online scheme through its website and iMuthoot application in September 2016. In addition to traditional players, fintech companies such as Rupeek have also been offering digital services since 2015. To be sure, online gold loans have gained traction since their launch.

Share of online loans to increase along with average gold loan per branch



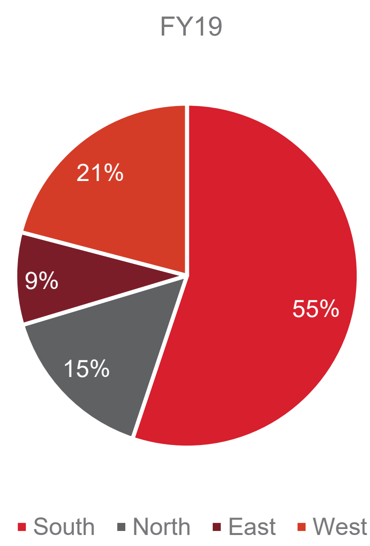


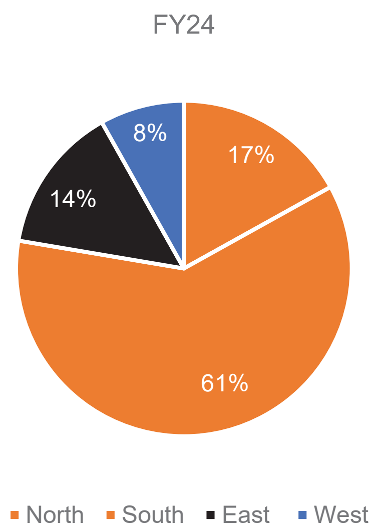
Source: Company reports, CRISIL MI&A Research

Branch additions in non-south regions

Currently, south India dominates demand for NBFC gold loans. However, other regions are also likely to pick up going forward. Changing consumer perception about gold loans, led by increasing awareness and rising fund requirements, will drive rapid growth in these regions. Also, branches are being added mainly in the north and east, where there are fewer branches.

Branch distribution





Note: Aggregate includes Muthoot Finance, Manappuram Finance and IIFL Finance

Source: Company reports, CRISIL MI&A Research

Specialised gold loan NBFCs have inherent advantages

Gold loan NBFCs have gained competitive strength with faster loan processing and auctioning of gold jewellery. NBFCs operate at a yield of 18-24% while private sector banks offer ~15% and public sector banks 7-9%. Despite the significant rate differential (8-15%), NBFCs' AUM clocked 16.2% CAGR between fiscals 2019 and 2023, owing to their ability to provide an overall conducive environment to customers and enhanced reach via their extensive branch networks in semi-urban and rural areas.

Gold loan NBFCs' single-product focus and extensive branch network in low-rent areas with much lower population/ customer base than a typical bank branch, ensure better customer experience. The other key competitive advantage is faster turnaround time. A lower turnaround time adds significantly to the overall customer value proposition as gold loans are predominantly short term in nature and are availed of for emergencies. Further, banks' gold loan terms tend to be rigid unlike NBFCs'. For example, the minimum loan tenure that banks offer is usually higher than the average tenure NBFCs offer. As gold loans are mostly bridge loans (short term), specifying a minimum tenure with a pre-payment penalty works against the customer's value proposition.

Additionally, gold financing is an operations-intensive business, with special focus required on branch-level infrastructure and personnel. Each branch requires secure storage. The branches also require strong electronic monitoring and cybersecurity protocols to protect client data. All these increase operating costs. Moreover, employees must be trained on recognising the possibility of theft and other frauds as well as the procedures to be followed to prevent them. Alternatively, some part of the operations, such as appraisal and valuation, could be outsourced to third parties.

The business model has also undergone a considerable technological transformation facilitating faster loan processing, accurate gold valuation, safekeeping, auctions and cost cutting. Customers of top players are required to visit the branches only to deposit physical gold. Proactive marketing, branding and geographic expansion also help capture new-to-market customers.
Banks' focus on gold lending, though, poses a competitive threat to NBFCs, mainly on account of the former's lower rate of interest.

NBFCs offer convenience, while banks offer lower rates

Parameter	Gold loan NBFCs	Banks	Moneylenders
LTV	Up to 75%	90% in fiscal 2021	Higher than 75%
Processing fees	None/minimal	Higher compared with NBFCs	None
Interest rate	18-24% p.a.	7-15% p.a.	25-50% p.a.
Penetration	Highly penetrated	Select branches	Highly penetrated
Mode of disbursal	Cash/cheque	Cheque	Cash
Working hours	Open beyond banking hours	Typical hours	Open beyond banking hours
Regulator	RBI	RBI	Non-regulated
Fixed office place	Proper branches	Proper branches	No fixed place
Customer service	High specialised focus	Non-core	Core focus
Documentation required	Minimal	KYC compliance	Minimal
Repayment structure	Flexible repayment structure	EMI based	
Average TAT	10 minutes	1-2 hours	>10 minutes

Source: Company reports, CRISIL MI&A Research

Competitive advantage vs other financial products

Before the pandemic, gold loan lenders were competing not just among themselves, but also with other financial service providers. A borrower who fits the lender's criteria would opt for a personal loan or credit card, as these products require no security and are provided online within a few hours with minimal documentation. However, during the peak of the pandemic, gold loans emerged as the most feasible option, as lenders had become risk averse and minimised their exposure to unsecured loans.

Features differentiating gold loans from personal loans

Type	Secured against gold, lenders can sell the gold in case of default	Loan without security
TAT	Maximum 2-3 hours	More than a day
Tenure	Can be from a day up to a year	Fixed for a set interest rate and time period
Loan amount	Depends on the gold pledged	Mainly depends on the income and credit history of borrowers
Repayment	EMI/bullet payments with foreclosure facility	EMI-based repayment with foreclosure facility
Documentation	No documents other than KYC documents	KYC and income documents required for processing
Credit score	Does not impact the credit value	Impacts processing of loan terms and loan value
Renewal	Can be rolled over indefinitely by re-pledging the jewellery	New loan needs to be applied for in case of renewal

Source: Company reports, CRISIL MI&A Research

OUR BUSINESS

In this section any reference to "we", "us" or "our" refers to Muthoot Fincorp Limited. Unless stated otherwise, the financial data in this section is according to our Audited Financial Statements and Unaudited Standalone Financial Statements, prepared in accordance with the requirements of the SEBI NCS Regulations and the Companies Act set forth elsewhere in the Shelf Prospectus.

The following information should be read together with the more detailed financial and other information included in this Shelf Prospectus, including the information contained in the chapter titled "Risk Factors" on page 19.

Overview

We are, middle layer NBFC ("**NBFC ML**") registered with the RBI bearing registration no. N-16.00170 dated July 23, 2002 under Section 45 IA of the RBI Act. Our Company is one of the prominent gold loan players in the Indian market. The personal and business loans secured by gold jewellery and ornaments ("**Gold loans**") offered by our Company are structured to serve the business and personal purposes of individuals who do not have ready or timely access to formal credit or to whom credit may not be available at all, to meet unanticipated or other short-term liquidity requirements.

The Gold loan portfolio of our Company as of June 30, 2024 and March 31, 2024 comprised approximately 31.83 Lakhs and 30.46 lakhs loan accounts. As of June 30, 2024, our Company operated out of 3,694 branches located across 24 states, including union territory of Andaman and Nicobar Islands and the national capital territory of Delhi and employed 23,000 employees including 97 contracted experts in its operations.

We have been engaged in the Gold loans business for over two decades and are headquartered in Kerala, India. Our Company provides retail loan products, primarily comprising of Gold loans. Our Gold loan products include Muthoot Blue Super Value Loan, Swarna Sureksha Super Value, Easy Blue, Easy Max, Easy Pro, Restart India Pradhan, Easy Scale up and 24x7 Express Gold loan The product of our Company, the "24x7 Express Gold loan" can be utilised by individuals who require quick loans against their gold jewellery and who have an existing loan with the Company. This is a type of top up loan.

For the quarter ended June 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 revenues from our Gold loan business constituted 74.38%, 85.76%, 92.09% and 93.04% of our total income on standalone basis as per Ind AS, respectively. For the quarter ended June 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, the gold loan portfolio of our Company earned an interest of ₹ 92,549.70, ₹ 3,44,395.44 lakhs, ₹ 3,21,521.00 lakhs and ₹ 3,09,629.21 lakhs on standalone basis as per Ind AS, respectively.

In addition to the Gold loan business, our Company provides foreign exchange conversion and money transfer services as sub-agents of various registered money transfer agencies. Our Company is also engaged in following business:

i. generation and sale of wind energy through its wind farms located in Tamil Nadu;

ii. real estate business through joint venture developers of the company owned land parcels; and

Main Business of our Subsidiary Companies

Our Company's subsidiaries are engaged in the following businesses:

i. our subsidiary Muthoot Housing Finance Company Limited providing affordable housing loans; and
ii. our subsidiary Muthoot Microfin Limited, providing micro credit facility to aspiring women entrepreneurs;
iii. Our Subsidiary Muthoot Pappachan Technologies Limited providing IT services.

Our Company is also authorised to act as a depository participant of CDSL as category II.

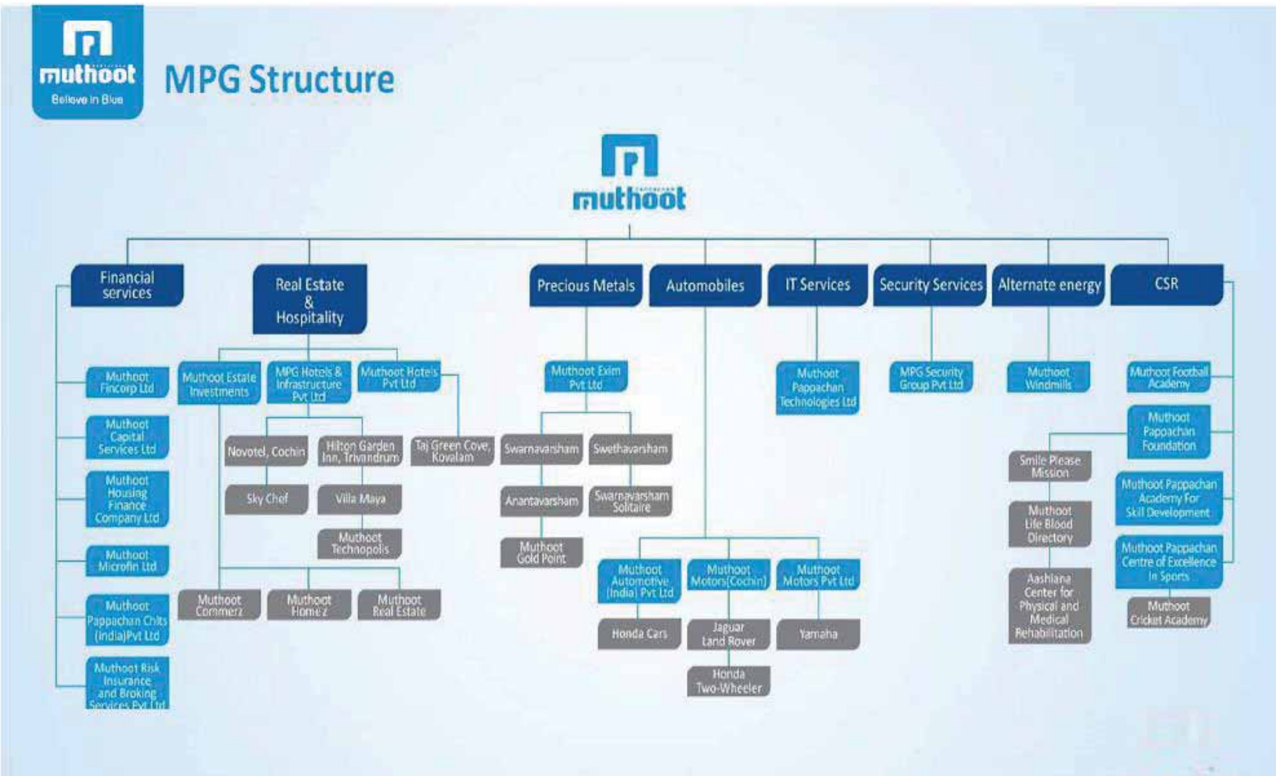
Our Company is a part of the "Muthoot Pappachan Group" which has diversified business interests ranging from hospitality, financial services, inflight catering, infrastructure for information technology, automobile sales and services and real estate.

Our gross loans under management as of June 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 was 22,95,840.16 lakhs, ₹ 21,71,234.13 lakhs, ₹ 17,61,507.49 lakhs and ₹17,32,313 lakhs, respectively, on a standalone basis as per IndAS. As of June 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 our Company held 47.63 tonnes, 48.21 tonnes, 48.01 tonnes and 54.03 tonnes, respectively, of gold jewellery, respectively, as security for all gold loans.

Our capital adequacy ratio as of June 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 computed on the basis of applicable RBI requirements was 18.92%, 20.01%, 21.34% and 19.42% respectively, on standalone basis as per Ind AS, compared to RBI stipulated minimum requirement of 15%, with Tier I Capital comprising 15.56%¸15.87%, 16.48% and 14.73%, respectively.

Our Stage 3 Assets as a percentage of total loan assets as per Ind AS was 1.50%, 1.62%, 2.11% and 2.88% as of June 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, respectively. Our Stage 3 Assets net of Stage 3 Provision as per Ind AS as on June 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 were 0.52%, 0.64%, 0.58 % and 1.57% respectively, on a standalone basis.

Our Group Structure



Our Competitive Strengths

We believe that the following competitive strengths position us well for continued growth:

The Company is one of the largest Indian NBFCs engaged primarily in the Gold loans business in terms of the size of our Gold loans portfolio. Accordingly, we have extensive experience and a strong brand image and track record in the Gold loans business across India.

We believe that the "Muthoot Pappachan" and the "Muthoot Fincorp" brands are well established in the Gold loans business predominantly in South India. We have been engaged in the Gold loans business for over 20 years (twenty years) and as an NBFC specializing in the Gold loans business, we believe that we have created a niche in the Gold loans market by meeting the expectations of a typical Gold loan customer. Our Company is one of the key players in the gold loan industry (Source: CRISIL Report). A typical Gold loan customer expects rapid and accurate appraisals, easy access, low levels of documentation and formalities, quick approval and disbursal of loans, lockers to ensure safety of pledged gold and a team of expert valuers. We believe we meet those expectations. We attribute our growth, in part, to our market penetration, particularly in areas less served by organised lending institutions and the efficient and streamlined procedural formalities which our customers need to complete in order to complete a loan transaction with us, which makes us a preferred medium of finance for our customers. Our targeted focus on the otherwise fragmented nature of this market segment, widespread branch network particularly in South India, as well as our large customer base has enabled us to build a strong brand. We also attribute our growth to customer loyalty which in turn leads to repeat business. We believe that a large portion of our customer base returns to us to avail credit facility when they are in need of funds. Our efficient credit approval procedures, credit delivery process and Gold loan products designed to suit the requirements of our customers have also aided in increasing customer loyalty which in turn leads to repeat business.

Widespread Branch Network and Strong Presence in South India

As on June 30, 2024, the Company had 3,694 branches located across 24 states, including union territory of Andaman and Nicobar Islands and the national capital territory of Delhi, with a significant presence in South India. The customers of the Company are typically retail customers, small businessmen, vendors, traders, farmers and salaried individuals, who for reasons of convenience, accessibility or necessity, avail of our credit facilities by pledging their gold with us rather than by taking loans from banks and other financial institutions. A significant proportion of the Company's branches are located in rural locations and in semi-urban locations. We believe that we have a wide reach in rural markets as compared with other competition in this category. This reach in rural and semi-urban locations gives the Company an added advantage of being able to reach out to a large set of potential rural customers. Having such a network enables us to service and support our existing customers from proximate locations which gives our customers easy access to our services and enables us to reach new customers especially potential rural customers. We believe we can leverage on this existing network for further expansion and for fulfilling our customer requirements.

High-quality customer service and short response time

The products and services of the Company are aligned to the lifestyle needs of its customers. We adhere to a strict set of market survey and location guidelines when selecting branch sites to ensure that our branches are set up close to our customers. We believe that our customers appreciate this convenience, as well as extended operating hours that we typically offer, which are often more compatible with our customers' work schedules. Various loan products tailor made for MSME and salaried / household segments are offered. In addition to the physical environment, it is equally important to have professional and attentive staff at both the branch level and at our regional and centralised customer support centers. Each of the Company's branches across India is staffed with persons who possess local knowledge and understanding of customers' needs and who are adequately trained to appraise collateral and disburse loans within a few minutes. Although disbursement time may vary depending on the loan ticket size and the number of items pledged, we endeavour to service the customers within a short span of time.

Access to a range of cost-effective funding sources

The Company predominantly access capital/ funding by means of term loans from banks, issuances of redeemable non-convertible debentures on a private and or public placement basis, issuances of commercial paper and cash credit facilities from banks including working capital loans. The Company has in the past issued secured redeemable non-convertible debentures on a private placement basis as a means to access capital/funding for its Gold loan business. The Company utilises funds from a number of credit providers, including nationalized banks and private Indian banks, and its track record of prompt debt servicing has allowed it to establish and maintain strong relationships with these financial institutions. The Company also issued subordinated debt which is considered as Tier II Capital of the Company. The Company has /undertaken securitization/ assignment transactions to increase the efficient use of its capital and as a cost effective source of funds. As of June 30, 2024, the total outstanding secured borrowings aggregated to ₹ 18,86,230.63 lakhs and total outstadning unsecured borrowings by our Company aggregated to ₹ 2,21,628.88 lakhs and outstanding securitization (pass through certification) is Nil.

As on date of this Shelf Prospectus, the Company has been assigned CRISIL AA-/Stable rating by CRISIL for our bank facilities, CRISIL AA-/Stable rating by CRISIL and BWR AA-/(Stable) rating by Brickworks for its various non-convertible debt instruments, CRISIL A/Stable rating by CRISIL for ₹ 69,900 lakh perpetual bonds and BWR A+/Stable rating by Brickworks for ₹ 37,400 lakh perpetual bonds and CRISIL A1+ rating by CRISIL for its short term debt programme.

Experienced senior management team and a skilled workforce

The Board of Directors consists of nine Directors (including the Promoters) with extensive experience in the financial service sectors. The Promoters and key managerial personnel have significant experience and in-depth industry knowledge and expertise. In order to strengthen the credit appraisal and risk management systems, and to develop and implement credit policies, the Company has hired a number of senior managers who have extensive experience in the Indian banking and financial services sector and in specialized finance firms providing loans to retail customers.

Further, the Company has been successful in attracting, fostering and retaining the best talent. The recruitment and business strategy has been seamlessly aligned right through the years and this strong pool of talent gives the Company a competitive edge in its growth. For recruiting, the Company has a well laid down recruitment policy which includes minimum standards that a prospective candidate should meet. The prospective candidate is rated on various factors like qualifications and academic knowledge, communication skills, family background, experience in relevant field, personality, mental ability and behavioral competencies. The employee welfare initiatives like provident funds, group mediclaim policy etc. ensures a conducive work environment for all. To uphold its performance-oriented culture, the Company conducts training programmes and online skill assessments on a periodic basis, continuously monitoring and augmenting the performance level of the employees.

Our Strategies

The business strategy of the Company is designed to capitalize on its competitive strengths and enhance its market position. Key elements of its strategy include:

Further grow our Gold loan business

Historically, Indians have been one of the largest consumers of gold due to the strong preference for gold jewellery among Indian households and its widespread use as a savings instrument. Rural India population views investment in gold as a fallback option in the times of need. As a result, the market for Gold loan financing in India is largely untapped and offers good potential for further growth.

We intend to increase our presence in under-served rural and semi-urban markets, where a large portion of the population has limited access to credit either because they do not meet the eligibility requirements of banks or financial institutions, or because credit is not available in a timely manner at reasonable rates of interest, or at all. A typical Gold loan customer expects rapid and accurate appraisals, easy access, low levels of documentation, quick approval and disbursement and safekeeping of their pledged gold. We believe we meet those expectations, and thus our focus is to expand our Gold loan business.

Expansion of business into Tier 2 and Tier 3 towns and in select Tier 1 cities across India

In addition to our continuing focus on rural and semi-urban markets in the states that we are present, we are also focusing on opening branches in Tier 2 and Tier 3 towns and in select Tier 1 cities where we believe our business has high growth potential. We carefully assess the market, location and proximity to target customers when selecting branch sites to ensure that our branches are set up close to our target customers. We believe our customers appreciate this convenience and it enables us to reach new customers.

In-house training capabilities to meet our branch requirements

The Company has been continuously investing in developing advanced learning solutions for preparing its employees for the future as well as to equip them with necessary skills to cater to the ever-increasing needs of its customers. The training department is functioning under the Department of Training & Development. The department understands that it has a key role to play in keeping the employee's aspirations and organizational goals aligned. They work on the principle that better knowledge helps employees to serve customers better.

Target new customer segments

The market for our loan products was traditionally confined to lower and middle income groups, who viewed Gold loans as an option of the last resort in case of emergency. We intend to undertake sustained marketing efforts to diminish the stigma attached to pledging gold jewellery in India. We intend to emphasize our Gold loan products' key advantages of expediency and minimal documentation and alter the image of Gold loans from an option of the last resort to an option of convenience.

Strengthening our Brand Equity

Staying true to our purpose "To transform the life of the common man by improving their financial well-being", which stems from the life and values of our founder Muthoot Pappachan, we have constantly strived to "**Empower Human Ambitions (our Group Credo)**", by offering our customers with innovative and simple products, in sync with their needs and desires.

We, at Muthoot Pappachan Group, or as we are fondly called "**Muthoot Blue**", believe in supporting and giving wings to the “ambitions” of all our customers. Our un-flinching adherence to our Group Credo and values of – integration, collaboration and excellence, all under our over-arching value of TRUST, made us come up with our Brand Positioning – **“Blue Is Belief”.** Blue is the color of the sea and the sky; it is all pervasive, all encompassing. In line with this definition of “Blue”, we have our brand positioning of **“Blue Is Belief”**, the belief that we can fly higher, the belief that there is so much more to achieve!

Recently we announced our association with Shah Rukh Khan as our newest brand ambassador with Book My Gold Loan campaign aimed at spreading word on how the new initiative helps make Gold Loans more accessible and convenient for the customers. This groundbreaking campaign introduces a first-of-its-kind service in India: book a Gold Loan instantly, anytime, from anywhere. The newly launched feature allows customers to initiate loans with a simple missed call, integrating advanced technology with exceptional customer service. This campaign will be broadcasted in Hindi, Tamil, Malayalam, Telugu, Kannada, Marathi, Bengali and Gujarati. It will encompass out of home advertising (OOH), digital platforms, television, print, and on-ground activations, ensuring a widespread reach and pan-India impact.

Serving the underserved and giving a platform to our own local MSME sector, we recently re-launched the campaign on Vocal for Local with an ad featuring our brand ambassador across various mediums.

Our Company had a title sponsorship for the Royal Challengers Bangalore (RCB) for three consecutive seasons of the Indian Premier League until February 01, 2023. Our comprehensive advertising campaigns across multiple channels significantly heightened our brand visibility.

Continue to implement advanced processes and systems

We have invested and continue to invest in latest technology, systems and processes to create a stronger organization and ensure good management of customer credit quality. Our information technology strategy is designed to increase our operational and managerial efficiency. We have planned to upgrade our CRM systems to serve our customers with even better services and faster turnaround time. With this system we have planned to integrate all our group company systems to provide One Muthoot Blue Customer experience. Planning to enhance our analytics capabilities to extract deeper insights about customers which would help us in designing better products and services for them.

Digitalization and ecosystem partnership

In an attempt to modernize their IT Infrastructure. The Muthoot Pappachan Group has tied up with UST Global for outsourcing of our IT Infrastructure as a turnkey management solution, thus embarking on the path of digitalization. This new state-of-the-art IT Infra will enable powerful new age applications which will drive growth/customer experience and allow us in focusing on our core business.

In the recent times fintechs, working in the domain of digital lending are experiencing the demand of gold loans. We are partnering with such digital players to enhance the distribution network of our company’s product and services.

Muthoot Fincorp along with its associated companies has acquired stake in Speckle Internet Solutions Private Ltd (“**Paymatrix**”), a Fintech start-up through a combination of primary and secondary investment, with an objective to play a key role in the growth plan of our Digital initiatives. Paymatrix will be our delivery vehicle to create and incubate any new digital platform/product.

Our Company has also launched Muthoot FinCorp ONE, an all-in-one digital financial platform that has simplified getting an MSME loan and a gold loan, investing in eSwarna Digital gold and non-convertible debentures, making payments and remittances, buying insurance and exchanging forex. This platform has helped in building a holistic financial ecosystem using the latest digital products for lending, investing, protection and payments. The platform allows QR based lending which is helpful in reaching the target audience. Our Company partners with various UPI payment platforms to offer loans to eligible customers. Additionally, we offer equated daily instalment loans that are an integrated product designed to provide a seamless experience for merchants through the partner platform. These loans aim to reduce the repayment burden by splitting payments into daily instalments, which are deducted from the customer’s QR settlement account on the partner platform. The platform also allows easy repayment. The complete loan application process is digitally stitched across partner platform and our company’s system.

Strengthen our operating processes and risk management systems

Risk management forms an integral part of our business as we are exposed to various risks relating to the Gold loan business. The objective of our risk management systems is to measure and monitor the various risks we are subject to and to implement policies and procedures to address such risks. We intend to continue to improve our operating processes and risk management systems that will further enhance our ability to manage the risks inherent to our business. We have internal audit systems which consists of audit and inspection, for risk assessment and internal controls. The audit system comprises of accounts audit and gold appraisal. In accordance with our internal audit policy, all of our branches are subject to surprise gold audit every month and accounts audit once in very four months. Further the staffs are strictly advised to make the acid test, sound test etc., at the time of making the pledge for checking whether the ornament is of acceptable quality or not. For example, we have commenced installing offsite surveillance cameras in our branches and intend to implement this across our branch network. Tamper evident envelopes have also been introduced in all branches across the country to reduce frauds.

We have invested in our technology systems and processes to create a stronger organization and ensure good management of customer credit quality. Our information technology strategy is designed to increase our operational and managerial efficiency. We continue to implement technology led processing systems to make our systems and processes more efficient to augment the benefits of our relationship based approach. We also believe that deploying strong technology systems will enable us to respond to market opportunities and challenges swiftly, improve the quality of services to our customers, monitor our process and performance and improve our risk management capabilities.

Please see sections *titled "Risk Factors" and "Outstanding Litigations and Defaults"* on pages 19 and 215, respectively.

Key Operational and Financial Parameters on a consolidated basis

The table below sets out the key operational and financial parameters of the Company on a consolidated basis as of Fiscal 2024, Fiscal 2023 and Fiscal 2022 as per Ind AS:

(*₹ in lakhs*)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
BALANCE SHEET			
Assets			
Property, Plant and Equipment	47,751.65	45,646.57	43,392.79
Financial Assets	36,69,008.04	30,06,970.90	26,52,118.27
Non-financial Assets excluding property, plant and equipment	1,53,653.85	1,60,843.35	1,46,722.92
Total Assets	38,70,413.55	32,13,460.81	28,42,233.98
Liabilities			
Financial Liabilities			
-Derivative financial instruments	239.64	89.19	-
-Trade Payables	560.29	553.92	343.69
-Other Payable	5,924.03	5,610.42	5,758.50
-Debt Securities	3,83,276.28	4,41,658.04	4,47,341.02
-Borrowings (other than Debt Securities)	24,64,326.19	18,94,542.99	16,01,092.04
-Deposits	-	-	-
-Subordinated liabilities	2,14,117.72	2,27,858.69	2,41,026.38
-Lease Liabilities	1,12,786.57	1,02,702.92	74,233.11
-Other financial liabilities	92,629.70	1,01,203.58	91,762.74
Non-Financial Liabilities			
-Current tax liabilities (net)	-	2,305.00	58.26
-Provisions	3,594.32	1,619.57	1,190.56
-Deferred tax liabilities (net)	8,143.40	6,122.67	3,995.14
-Other non-financial liabilities	5,169.67	3,475.45	2,316.47
Equity (Equity Share Capital and Other Equity)	4,33,366.81	3,73,357.59	3,18,779.53
Non-controlling interest	1,46,278.92	52,360.77	54,336.53
Total Liabilities and Equity	38,70,413.55	32,13,460.81	28,42,233.98
PROFIT AND LOSS			
Revenue from operations	6,57,969.80	5,12,988.70	4,35,355.30
Other Income	481.84	2,143.83	158.05
Total Income	6,58,451.64	5,15,132.53	4,35,513.34

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Total Expense	5,16,797.41	4,27,901.99	3,79,827.13
Profit after tax for the year	1,04,797.75	64,642.33	41,255.11
Other Comprehensive income	1,502.64	3,576.86	3,328.70
Total Comprehensive Income	1,06,300.39	68,219.18	44,583.81
Earnings per equity share (Basic)	45.68	30.40	20.22
Earnings per equity share (Diluted)	43.98	29.26	19.60
Cash Flow			
Net cash from / used in (-) operating activities	(5,88,657.93)	(1,96,414.01)	1,06,541.72
Net cash from / used in (-) investing activities	(31,539.41)	(46,486.68)	(12,980.55)
Net cash from / used in (-) financing activities	5,26,814.39	2,62,949.00	1,22,692.84
Net increase/decrease (-) in cash and cash equivalents	(93,382.95)	20,048.32	2,16,254.01
Cash and cash equivalents as per Cash Flow Statement	2,41,911.80	3,35,294.75	3,15,233.84
Additional Information			
Net worth	5,79,645.73	4,25,718.36	3,73,116.06
Cash and cash equivalents	2,41,911.80	3,35,294.75	3,15,233.84
Loans	32,85,997.82	25,72,903.90	22,66,492.77
Total Debts to Total Assets	0.80	0.82	0.83
Interest Income	5,98,403.44	4,82,757.07	4,07,859.45
Interest Expense	2,71,347.68	213,106.18	2,00,505.46
Impairment on Financial Instruments (Loans)	21,079.77	28,808.90	19,061.92
Bad Debts to Loans (Annualised)	0.01	0.01	0.00

Key Operational and Financial Parameters on a standalone basis

The table below sets out the key operational and financial parameters of the Company on a standalone basis as of and for the Fiscal 2024, Fiscal 2023 and Fiscal 2022 as per Ind AS.

(*₹ in lakhs*)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
BALANCE SHEET			
Assets			
Property, Plant and Equipment	39,747.51	39,301.60	38,915.42
Financial Assets	24,99,464.40	21,98,706.39	21,28,230.04
Non-financial Assets excluding property, plant and equipment	1,20,008.54	1,31,892.13	1,23,231.63
Total Assets	26,59,220.44	23,69,900.12	22,90,377.08
Liabilities			
Financial Liabilities			
-Derivative financial instruments	231.18	-	-
-Trade Payables	4,016.05	4,014.97	4,782.30
-Debt Securities	2,87,032.66	3,04,642.97	3,79,379.03
-Borrowings (other than Debt Securities)	15,30,597.10	12,49,815.81	11,53,567.02
-Lease Liabilities	95,455.65	88,965.01	64,656.45
-Subordinated liabilities	2,14,117.72	2,27,858.69	2,38,526.64
-Other financial liabilities	70,736.29	74,610.16	76,253.36
Non-Financial Liabilities			
-Current tax liabilities (net)	-	2,305.00	-
-Provisions	5,054.30	3,439.83	2,959.81
-Deferred tax liabilities (net)	22,489.75	22,247.61	23,668.26
-Other non-financial liabilities	3,368.26	2,696.64	1,634.89
Equity (Equity Share Capital and Other Equity)	4,26,121.49	3,89,303.45	3,44,949.33
Total Liabilities and Equity	26,59,220.44	23,69,900.12	22,90,377.08

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
PROFIT AND LOSS			
Revenue from operations	4,01,095.48	3,46,982.53	3,32,633.60
Other Income	481.84	2,143.83	158.05
Total Income	4,01,577.32	3,49,126.36	3,32,791.64
Total Expense	3,22,896.70	2,86,883.20	2,85,978.01
Profit after tax for the year	56,280.89	45,981.08	34,685.13
Other Comprehensive income	1,418.61	(271.03)	1,807.73
Total Comprehensive Income	57,699.51	45,710.06	36,492.86
Earnings per equity share (Basic)	29.05	23.74	17.91
Earnings per equity share (Diluted)	27.97	22.85	17.36
Cash Flow			
Net cash from / used in (-) operating activities	(3,20,675.25)	47,789.28	2,22,709.17
Net cash from / used in (-) investing activities	(14,011.83)	(23,611.22)	(2,212.69)
Net cash from / used in (-) financing activities	2,10,161.33	(7,797.06)	(25,433.09)
Net increase/decrease (-) in cash and cash equivalents	(1,24,525.75)	16,381.00	1,95,063.39
Cash and cash equivalents as per Cash Flow Statement	1,27,835.84	2,52,361.58	2,35,980.59
Additional Information			
Net worth	4,26,121.49	3,89,303.45	3,44,949.33
Cash and cash equivalents	1,27,835.84	2,52,361.58	2,35,980.59
Loans	21,41,505.08	17,25,053.20	17,01,520.88
Loans (Principal Amount)	20,74,739.77	16,74,028.64	16,60,981.68
Total Debts to Total Assets	78.06%	77.25%	79.72%
Interest Income	3,71,504.46	3,32,167.53	3,18,760.74
Interest Expense	1,70,598.18	1,48,208.46	1,57,516.78
Impairment on Financial Instruments (Loans)	2,755.59	6,717.02	7,152.74
Bad Debts to Loans (Annualised)	0.44%	0.06%	0.00%
% Stage III Loan Assets to Gross Loan Assets	1.62%	2.11%	2.88%
% Net Stage III Loan Assets to Gross Loan Assets	0.64%	0.58%	1.57%
Tier I Capital Adequacy Ratio (%)	15.87%	16.48%	14.73%
Tier II Capital Adequacy Ratio (%)	4.15%	4.86%	4.69%

*Notes:*Bad debts to Loans = Bad debts written off / Loans

The table below sets out the key operational and financial parameters of the Company on a standalone basis as of and for the quarter ended June 30, 2024 as per Ind AS:

(*₹ in lakhs*)

Particulars	As at and for the quarter ended June 30, 2024
PROFIT AND LOSS	
Revenue from operations	1,24,416.34
Other Income	6.08
Total Income	1,24,422.42
Total Expense	99,651.92
Profit after tax for the year	18,116.98
Other Comprehensive income	27,028.42
Total Comprehensive Income	45,145.40

Particulars	As at and for the quarter ended June 30, 2024
Earnings per equity share (Basic)	9.35
Earnings per equity share (Diluted)	9.00
Additional Information	
Net worth	4,71,274.80
Cash and cash equivalents	93,823.33
Loans (before ECL provision)	22,95,840.17
Loans (Principal Amount)	22,04,303.23
Total Debts to Total Assets	77.09%
Interest Income	1,04,607.88
Interest Expense	50,911.21
Impairment on Financial Instruments (Loans)*	4,954.28
Bad Debts to Loans (Annualised)	0.00%
% Stage III Loan Assets to Gross Loan Assets	1.50%
% Net Stage III Loan Assets to Gross Loan Assets	0.52%
Tier I Capital Adequacy Ratio (%)	15.56%

**Includes management overlay of Rs.2,833.40 lakhs provided on receivables against direct assignment*

Loan-Book as on quarter ended June 30, 2024 March 31, 2024, March 31, 2023 and March 31, 2022

The product-wise loan book of the Company as on quarter ended June 30, 2024 and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 as per Ind AS is as follows:

Particulars	Total Book Size (₹ in lakhs) as of				% of Total Book Size (%) as of			
	June 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022	June 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Gold loan	20,41,721	19,50,206.75	16,77,763	16,75,825	88.93%	89.82%	95%	97%
Other Loan Receivables	2,54,119	2,21,027.38	83,744	56,489	11.07%	10.18%	5%	3%
Total**	**22,95,840**	**21,71,234.13**	**17,61,507**	**17,32,313**	**100.0%**	**100%**	**100%**	**100%**

***Gross loans including interest receivable*

Our Company's Business

Gold loans

Our core business is disbursement of Gold loans, which are typically small ticket loans secured by the pledge of gold jewellery. As of June 30, 2024 and March 31, 2024, we had approximately 31.83 lakh and 30.46 lakh Gold loan accounts, aggregating to ₹ 20,41,720.79 lakhs and ₹ 19,50,206.75 lakhs, which comprised 88.93% and 89.82% of our total loan portfolio, respectively.

For the quarter ended June 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 revenues from our Gold loan business constituted 74.38%, 85.76%, 92.09% and 93.04%, of our total income on standalone basis as per Ind AS, respectively. For the quarter ended June 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 our Gold loan portfolio yield (representing interest income on gold loans as a percentage of average outstanding of Gold loans), were 19.48%, 20.01%, 20.12% and 18.74% per annum, respectively, on standalone basis as per Ind AS.

Loan disbursement process

Initial Evaluation and Loan Origination Process

The principal form of security that we accept is wearable, household, used, gold jewellery. While these restrictions narrow the pool of assets that may be provided to us as security, we believe that it provides us with the key advantages. It filters out spurious jewellery that may be pledged by jewellers and goldsmiths. We find that household, used jewellery is less likely to be spurious or fake. The emotional value attached by each household to the pledged jewellery acts as a strong incentive for timely repayment of loans and revoking the pledge. As we only accept the pledge of household jewellery, the value of the pledged gold is typically only as much as the worth of gold that is owned by an average Indian household. This prevents our exposure to large sized loans where the chances of default and subsequent losses are high.

The amount that we finance against the pledged gold jewellery is typically based on a fixed rate per gram of gold content in the jewellery. We value the gold jewellery brought by our Gold loan customers based on our centralized policies and guidelines. We lend up to 75% of the 22 carat gold price based on 30 day average Mumbai Bullion Association price of 22 carat gold as per the recent RBI guidelines. While accepting the gold as collateral, as per the applicable regulatory norms, the Company gives a certificate of estimated purity of the appraised gold to the customer. If the gold is of purity less than 22 carats the Company translates the collateral into 22 carat and specifies the exact grams of the collateral. In other words, jewellery of lower purity of gold is valued proportionately. The certified purity is applied for determining the maximum permissible loan and the reserve price for auction. While jewellery can be appraised based on a variety of factors, such as total weight, weight of gold content, production cost, style, brand and value of any gemstones, we appraise the gold jewellery solely based on its gold content. Our Gold loans are therefore generally well collateralized because the actual value of the gold jewellery is higher than our appraised value of the gold jewellery when the loan is disbursed.

The amount we lend against an item and the total value of the pledged gold we hold fluctuates according to the market price of gold. However, an increase in the price of gold will not automatically result in an increase in the value of gold brought in by potential customers unless the rate per gram is revised by our corporate office. Similarly, since adequate margins are built in at the time of the loan disbursement and owing to the short tenure of these loans on average, a decrease in the price of gold generally has little impact on our interest income. However, a sustained decrease in the market price of gold could cause a decrease in the growth rate of Gold loans in our loan portfolio and interest income.

Gold loans are sanctioned only to genuine borrowers. Before sanctioning the Gold loan, the branch manager takes all precautions to ensure that the applicant, pledging the ornaments, is the owner of those ornaments and that the borrower is genuine. The branch manager obtains ID proof and photograph of the borrower and makes reasonable enquiry about the residence, job, personal details, ownership of the ornaments etc. and makes a note in the pledge form. We also undertake a field verification to authenticate the genuineness of the borrower in case of high value Gold loans. Since the disbursement of loans is primarily based on the value of collateral, the customer's creditworthiness is not a factor in the loan decision. However, we comply with 'know your customer' ("**KYC**") norms adopted by the Board of Directors and require proof of identification and address proof. Compliance with the KYC policies ensures that the personal data provided by a particular customer is accurate. We also photograph customers with web-cameras installed in our branches at the time of each pledge. For all loans, the customer must produce the original document that confirms the customer's identity and address, which could be a Government issued document, such as a passport, driver's license, Permanent Account Number ("**PAN**") card, election card or ration card. The KYC details (including proof of identity and the customer's photograph) are maintained electronically at every branch. The unique customer identification code (UCIC) provided to every customer ensures that the customer need not provide the ID proof again in future instances. For loans above ₹5,00,000 and below ₹10,00,000, the customer's gold is checked for its authenticity by our team of gold inspectors in the immediate vicinity or senior staff in nearby branch, followed by a background verification by the vigilance team after disbursal of the loan. For loans above ₹10,00,000 the gold is inspected by a gold inspector and the background of the customer is checked by our vigilance team before disbursal of the loan. Pursuant to the circular dated September 16, 2013 issued by the RBI, Gold loan NBFCs have been mandated to insist on a copy of the PAN card of the borrower for all transactions above ₹5,00,000. Further, where the gold jewellery pledged by a borrower at any one time or cumulatively on loan outstanding is more than 20 grams, NBFCs must keep record of the verification of the ownership of the jewellery. Our internal policies have been suitably modified.

Loan Approval process

The first step in the process is the appraisal and evaluation of the gold to be used as security for the Gold loan. Each of our branches has designated personnel for gold appraisal who operate in accordance with a clear policy regarding their function and responsibilities. The initial appraisal is performed by a trained employee who has experience in appraising the gold content of jewellery. The initial appraisal is then verified by another trained employee. This process involves several principal tests, which include the nitric acid test, the touchstone test and filling test. For loans above ₹5,00,000 and below ₹10,00,000, the customer's gold is checked for its authenticity by our team of gold inspectors in the immediate vicinity or senior staff in nearby branch, followed by a background verification by the vigilance team after disbursal of the loan. For loans above ₹10,00,000 the gold is inspected by a gold inspector and the background of the customer is checked by our vigilance team before disbursal of the loan. The gross weight of the gold jewellery is determined by weighing the jewellery. An amount in connection with the purity of the gold as also the weight is deducted from the gross weight to arrive at net weight. We have determined a constant percentage deduction that applies depending on the purity of the gold, which is based on the proportion of gold contained in the jewellery in relation to other metals. As purity decreases, the percentage deduction to the gross weight for arriving at the net weight increases. The weight of stones and other material that is embedded in the jewellery is also deducted from the gross weight to determine the net weight.

During the appraisal and evaluation, the customer fills the application form in his handwriting. Details required in the application form in connection with the gold purported to be provided as security are thereafter recorded by an appraiser after the gold has been appraised and evaluated. The application is then signed by both the customer and the appraiser/staff. The pledge form is then printed, one copy is maintained with the branch, and one copy is handed over to the customer. The disbursement of the loan from our branches at this stage is immediate. Loans of ₹ 20,000 and above are disbursed only by way of bank transfer or cheque. The gold items are then packed and immediately stored in the strong room. We also have an option of transferring the amount to the customer's bank account for loans less than ₹ 20,000. Our Company provides loans up to 75.00% of the value of the gold jewellery based on the 30 day average Mumbai Bullion Association price of 22 carat gold as per the recent RBI guidelines. The remainder 25.00% is set aside as margin for the loan extended.

Post disbursement process

Custody of gold collateral

The Gold ornaments pledged by the customers are kept in specially made tamper evident envelopes supplied to the branches for this purpose and then in plastic cover and then kept in a brown cover and sealed with a numbered sticker made for this purpose. The sticker no. is also entered in the system at the time of pledge. The details of the ornaments like item description and weight are noted on the packets. These ornaments are appraised by the appraiser and verified by the branch manager and joint custodian. The packets are then kept inside steel almirahs with a dual lock system in the strong room. When the packets/covers are kept inside, entry is made in the securities register which is also kept inside the strong room. In some of our branches where sufficient space is not available for building a strong room, the gold ornaments are stored in safes. The safes and strong rooms in which the gold jewellery is kept are built as per industry standards and practices. Pursuant to the circular dated September 16, 2013 issued by the RBI, the business of granting loans against the security of gold cannot be transacted at places where there are no proper facilities for storage/security of the gold jewellery. Further, no new branches can be opened without suitable storage arrangements having been made thereat.

Inventory control

The ornaments pledged are stored in serially numbered packets and entry is made in securities register under the joint signatures of the branch manager and the joint custodian. Entries are also made in this register at the time of release of the pledged ornaments. The cumulative number of packets inside the strong room as per the securities register is verified and tallied with the consolidated stock statement generated from the system at the end of the day, on a daily basis. The stock statement is also verified and tallied with the general ledger on the last working day of the month and at the time of internal audit and gold inspection.

Branch security and safety measures

Ensuring the safety and security of the branch premises is vital to our business since our cash reserves and gold inventory are stored in each branch. Our branch security measures mainly comprise the following:

1. Strong rooms where the gold ornaments and cash are kept are constructed as per RBI specifications.

2. Majority of our branches are provided with burglar alarms and fire alarms.

3. Security guards are deployed in 800 branches on the basis of potential security risks.

4. Surveillance systems consisting of CCTV cameras have been installed in a majority of our branches.

5. We have introduced ERT (Emergency Response Team) to ensure security of our branches and currently they cover 1,500 MFL branches, during night time. Each ERT will have 2 able-bodied male members in the age group of 25 to 45 years and they perform duties as Driver-cum-Guard. Each team will be entrusted with a cluster consisting of about 20 to 25 branches & these branches will be visited during night time. The ERT personnel will move around the

branches in Branded and GPS enabled four-wheeler vehicles and check the surroundings to ensure the security and safety of branches and premises. ERT personnel are given class-room training and practical training by experienced officers in MPG SG who are retired officers either from Police or Military Forces. ERT Training, Reporting, Action Process, Monitoring, Documentation and Follow-up actions are conducted as per the Standard Operating Procedure (SOP) and Training Manual specially prepared by the MPGSG. Since the ERT vehicles are GPS enabled, it helps the Regional Control Rooms to effectively track and monitor its movements & performances.

6. We have 9 Regional Control Rooms across India to monitor the security and safety of our Branches, offices, sites, and valuable assets therein. All these Control Rooms (RCRs) are under the direct supervision and control of respective S&V Managers and Central Control Room (CCR) functioning at Thiruvananthapuram. In addition, we have another Control Room (Corporate Office Control Room) at our HO for facilitating, coordinating, and expediting variety of functions assigned to it by the Corporate Office, Senior Officials, Management Heads etc. All these 11 Control Rooms are in operation on all days on 24 x 7 basis and are manned by Retired Military Personnel.

Collection and Recovery Processes

At present our Gold loans have a tenure that vary from six-months to 12 months, however, customers may redeem the loan at any time prior to the full tenure. As per the current policy of our Company, interest is to be paid in accordance with the scheme. In the event that a loan is not repaid on time and after providing due notice to the customer, the unredeemed pledged gold is disposed of, on behalf of the customer in satisfaction of the principal and interest charges in accordance with the applicable RBI guidelines. Any surplus arising out of the disposal of the pledged gold is refunded to the customer or is appropriated towards any other liability by the borrower. In the event that the recoverable amount is more than the realisable value of the pledged gold, the customer remains liable for the shortfall.

Our Company has an internal collection process wherein a customer is intimated by means of short messaging service and phone calls in the event of defaults in repayment in a timely manner. When a customer does not repay a loan on or before its maturity, we initiate the recovery process and dispose off the pledged gold to recover the amount owed to us, including both the principal and accrued interest. Before initiating the recovery process, we inform the customer through registered letters or legal notices. We advise and encourage the customers to service the interest regularly to avoid migration of interest rates to higher slabs. Gold ornaments pledged with the company, if not redeemed within a period of 9 months / 12 months from the date of pledge, will be disposed by the company by way of public auction, after the expiry of 9 months/ 12 months (as the case may be) and seven days of grace. The Company will give due notice of auction to the customer by way of registered post/courier at least 15 days before the date of auction. Details about the auction will be published in a vernacular newspaper and also in a national daily.

Pursuant to the circular dated September 16, 2013 issued by RBI, the following additional stipulations have been made in respect to auctioning of gold jewellery:

1. Auction should be conducted in the same town or taluka in which the branch that has extended the loan is located;

2. While auctioning the gold, NBFCs have been mandated to declare a reserve price for the pledged ornaments. The reserve price for the pledged ornaments should not be less than 85% of the previous 30 day average closing price of 22 carat gold as declared by BBA and value of the jewellery of lower purity in terms of carats should be proportionately reduced;

3. NBFCs have been mandated to provide full details of the value fetched in the auction and the outstanding dues adjusted and any amount over and above the loan outstanding should be payable to the borrower; and

4. NBFCs shall disclose in their annual reports, the details of the auctions conducted during the Financial Year including the number of loan accounts, outstanding amounts, value fetched and whether any of its sister concerns participated in the auction.

Apart from Gold loans, we also provide financial assistance to MSMEs and salaried personnel.

Muthoot Small Business Loans:

These are business loans where target customers engaged in micro business sector (micro & small sectors) mostly in trading and service sectors. MSME loans offer a minimum loan amount of ₹25,000 and maximum loan amount of ₹5,00,000 respectively for various fund requirements like working capital needs, expansion of business etc. at nominal rates of interest and with daily instalment or monthly instalment options. MSME Small business loans are tailor made to manifest company's vision to assist the common man to fulfil their business dreams and would contribute to the larger cause of financial inclusion.

Particulars of scheme	EDI Loans
Description	Daily instalment product designed to help small shops, which collect cash on daily basis
Target Customers	Very small proprietary concerns viz, kirana shops, medical shops, smaller cloth shops etc. which primarily transact in cash and doesn't have enough documentation to prove business turnover and business vintage is above 2 years
Type of repayment facility	Short Term Loan for 122 or 156 days daily instalment tenure
Repayment Mode	Repayment to be made in Equated Daily Instalment (EDI) and Equated Weekly instalment (EWI)
Important Benefits to Borrowers	Easy to avail at nearest branch, fast processing and collection in cash on daily basis making it easier to repay faster
Minimum Loan Amount	₹ 25,000
Maximum Loan Amount	₹ 5,00,000
Instalment Payment	EDI daily collection by branch staff
Minimum Loan Tenure	104 EDI to be paid in 122 days or 156 days to be paid in 180 days.

Secured loans to meet the business requirement of MSME and salaried individuals

MFL also provides secured loans to the MSME and salaried/self employed/MSME categories against their property as collateral. The loans tenure ranges from 3 years to 15 years.

Parameters	Loan Against Property	Secured Business Loan	Micro LAP
	General LAP upto 50 Lac	SBL upto 10 lac	Micro LAP 3-25 Lac
Maximum Loan Amount	Exceeding 25 lacs and up to 50,00,000 (Fifty lakhs) inclusive of all charges	10 lakhs	25 lakhs
Sourcing Channel	Direct Team / Direct Selling Agency / Processing Centre Channel		
Processing Fee	up to 3% + GST		
Interest % Reducing Annual	15-20%	20-29%	17-20%
Minimum Tenure	36 months		
Maximum Tenure	180 months	84 Months	180 months
Customer Profile	Salaried (or) Self Employed professionals/ Non-Professionals--Not Applicable to NRI		
Purpose of the loan	Business improvement, working capital, Debt consolidation, self-construction, purchase of property, other personal exigencies which are legitimate in nature.		
Age of the applicant	23-70 years at the time of Loan Origination 23-58 years at the time of Loan Origination (Salaried) at the discretion of Credit		
Minimum CIBIL score	650		
Constitution	Individual|Proprietorship|Partnership|Pvt Ltd company		

Other Business Initiatives

Money Transfer and Foreign Exchange Conversion Services

We provide fee-based services including money transfer and foreign exchange services for the quarter ended June 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, our money transfer and foreign exchange services business generated ₹ 429.88 lakhs, ₹ 1471.45 lakhs, ₹ 987.26 lakhs and ₹ 913.87 lakhs, which forms 0.35%, 0.37%, 0.28% and 0.27% of our total income, respectively, on a standalone basis as per Ind AS. We act as direct agents for Western Union Money Transfer and as sub-agents to Indian representatives and enter into representation agreements for inward money transfer remittance. Under these agreements, we are entitled to receive a commission for the services provided depending on the number of transactions or the amount of money transferred and the location from which the money is transferred to us.

Wind Energy

For the quarter ended June 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 income from our windmills business was ₹ 178.37 lakhs¸₹ 886.41 lakhs, ₹ 879.84 lakhs and ₹ 920.85 lakhs which forms 0.14%¸ 0.22%, 0.25% and 0.28% respectively, of our total income on a standalone basis as per Ind AS.

Other loans

Our Company has in the past disbursed loans secured against non-convertible debentures of the Company held by customers (issued on a private placement basis). However, pursuant to the guidelines on private placement introduced by the RBI, we will no longer be able to disburse such loans. As on June 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, Nil, Nil, Nil and ₹ 6.22 lakhs out of such loans remained outstanding. Further, our Company has also disbursed certain loans secured by a charge over immovable property.

Third party businesses

Pursuant to agreements entered into between the Company and some of its Group entities, the Company's branches/ premises and officials are utilised in connection with the business operations of the Group entities such collection and disbursal of loans and sale of jewellery etc. The Company is entitled to a specific fee/ commission pursuant to these agreements. For further details, see section titled "*History and Certain Corporate Matters – Material Agreements*" and "*Financial Statements*" on pages 130 and 161, respectively.

Our Company's Operations

Business Outlet Network

Over the years our Company has established a pan-India presence, with 3,694 branches located across 24 states, including union territory of Andaman and Nicobar, and the national capital territory of Delhi (as of June 30, 2024), with a significant presence in south India. The distribution of branches across India by region as of June 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 is as set out in the following table:

State	As of			
	June 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Andaman & Nicobar	4	4	4	4
Assam	3	3	3	3
Andhra Pradesh	347	347	344	344
Delhi	112	111	110	110
Goa	11	11	11	11
Gujarat	125	125	116	116
Haryana	78	78	73	73
Jharkhand	7	7	7	7
Karnataka	549	549	549	549
Kerala	759	759	759	797
Madhya Pradesh	51	51	46	46
Maharashtra	199	199	193	193
Orissa	68	68	56	56
Punjab	80	80	79	79
Rajasthan	74	69	65	65
Tamil Nadu	770	771	771	771
Telangana	257	257	251	251
Uttar Pradesh	71	69	62	62
Uttarakhand	6	6	5	5
West Bengal	89	89	88	88
Chattisgarh	3	3	2	2
Bihar	14	11	9	9
Himachal Pradesh	2	2	2	2
Jammu & Kashmir	1	1	1	1

State	As of			
	June 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Pondicherry	14	13	13	13
Total	**3,694**	**3,683**	**3,683**	**3,619**

As of June 30, 2024, the Company employed 23,000 employees including 97 contracted experts in its operations. Most of our branches operate with one branch manager and at least three customer service executives depending upon the transaction volumes in that branch. In addition to the customer service executives, certain branches also have a relationship manager. Further, each branch falls under the purview of an area manager, such area manager being in charge of a group of branches. The area managers report to a regional manager and all the regional managers in a particular State report to the relevant Zonal head.

The core role of each of our branches is to co-exist as sales cum servicing points for all the needs of our Gold loan customers. The branch manager and the senior most customer care executive act as the joint custodian for such gold jewellery. All our branches are computerized and connected with our central server located at Trivandrum.

Marketing, Sales and Customer Care

Our Company undertakes publicity through media, both print and electronic to increase the visibility of our brand. Our media plan ensures the visibility and reach of our Muthoot brand within the desired budget. These advertisements are carried out across various states wherever our Company has presence. This helps individual branches to target the public and thereby generate business from the locality. For the quarter ended June 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, our total advertisement expenditure was ₹ 823.71 lakhs, ₹ 4,179.70lakhs, ₹ 8,744.64 lakhs and ₹ 8,384.85lakhs, respectively on a standalone basis as per Ind AS.

In promoting our brand, our advertisement campaigns focus on "**Blue is Belief**", to differentiate our loan products from other NBFCs and financial institutions and emphasize the convenience, accessibility and expediency of Gold loans.

Asset Quality

We maintain our asset quality through the establishment of prudent credit norms, the application of stringent credit evaluation tools, limiting customer exposure, and direct interaction with customers. In addition to our credit evaluation and recovery mechanism, our asset-backed lending model and adequate asset cover has helped maintain low gross and net NPA levels.

Details of Stage 3 asset and provisions thereon of our Company, as of the specified dates are set out in the table below:

(₹ in lakhs)

Particulars (as per Ind AS)	As at June 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Gross Stage 3 Assets for Gold loan	15,281.15	17,506.93	11,658.77	21,758.28
Gross Stage 3 Assets for Other Loans	19,226.46	17,639.58	25,502.36	28,201.01
Net Stage 3 Loans and advances	**11,959.79**	**13,928.98**	**10,221.42**	**27,190.39**
Net Stage 3 Assets to Net Loans and advances	0.53%	0.65%	0.59%	1.60%

Details of Stage 3 asset and provisions thereon of our Company, as of the specified dates are set out in the table below:

(₹ in lakhs)

Particulars	As at June 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Gross Stage 3 Assets	34,507.61	35,146.50	37,161.13	49,959.289
Provisions for Stage 3 Assets	22,547.82	21,217.52	26,939.71	22,768.90
Net Stage 3 Assets	11,959.79	13,928.98	10,221.42	27,190.39
Gross Outstanding Loans and advances	22,95,840.17	21,71,234.13	17,61,507.49	17,32,313.00
Net Outstanding Loans and advances	22,63,990.23	21,41,505.08	17,25,053.20	17,01,521.00
Gross Stage 3 Assets to Gross Loans and advances	1.50%	1.62%	2.11%	2.88%

Particulars	As at June 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Net Stage 3 Assets to Loans and advances	0.52%	0.64%	0.58%	1.57%
Stage 3 Provision coverage ratio	65.34%	60.37%	72.49%	45.57%

Provisioning policy with respect to Non-Performing Assets

Our Company's provisioning policy was as per the RBI prudential norms up to Fiscal 2018. However, on transition to IndAS, the Company is bound to follow the Expected Credit Loss model as per IndAS norms to provide for Impairment of Loan Assets. Accordingly, the Ind AS financials as of Fiscal 2024, 2023 and 2022, follows the Expected Credit Loss model.

Funding Sources

We have expanded our sources of funds in order to reduce our funding costs, protect interest margins and maintain a diverse funding portfolio that will enable us to achieve funding stability and liquidity. Our sources of funding comprise term loans from banks and financial institutions, cash credit/ working capital demand loans/ short term loans from banks, issuances of (i) redeemable non-convertible debentures; (ii) subordinated debt instruments; (iii) perpetual debt instruments; and (iv) short term commercial paper and inter-corporate deposits, and assignment and securitization of gold loan in addition to equity infused by the Promoters.

As of June 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, the total secured borrowings utilised by the Company aggregated to, ₹ 18,86,230.63 lakhs, ₹ 18,17,629.76 lakhs, ₹ 15,54,458.77 lakhs and ₹ 15,32,946.05 lakhs, respectively and unsecured borrowings utilised by our Company aggregated to ₹ 2,21,628.88 lakhs, ₹ 2,14,117.72 lakhs, ₹ 2,27,858.69 lakhs and ₹ 2,38,526.64 lakhs respectively.

The following table sets forth the principal components of our secured loans as per Ind AS of the dates indicated**:**

(₹ in lakhs)

Secured Loans	As at June 30, 2024	As at March 31, 2024	As of March 31, 2023	As of March 31, 2022
Redeemable non-convertible debentures	2,91,213.81	2,87,032.66	3,04,642.97	379,379
Compulsorily Convertible Debentures	Nil	Nil	Nil	Nil
Term loans:				
Term loans from banks	7,64,331.06	6,62,069.52	5,02,962.84	4,23,033
Term loans from other parties	14,181.25	15,721.79	437.50	2,183
Working Capital Loan and Overdraft from Banks	8,16,504.51	8,52,805.79	7,46,415.46	728,351
Loans repayable on demand from Other Parties (PTC)	Nil	Nil	Nil	Nil
Total	**18,86,230.63**	**18,17,629.76**	**15,54,458.77**	**15,32,946**

The following table sets forth the principal components of our unsecured loans as per Ind AS as of the dates indicated:

(₹ in lakhs)

Unsecured Loans	As at June 30, 2024	As of March 31, 2024	As of March 31, 2023	As of March 31, 2022
Inter-corporate deposits	Nil	Nil	Nil	Nil
Subordinated debt	1,41,496.93	1,46,561.92	1,79,745.30	200,108
Commercial Paper	12,500.00	Nil	Nil	Nil
Perpetual debt instrument	67,631.94	67,555.79	48,113.39	38,419
Total	**2,21,628.88**	**2,14,117.71**	**2,27,858.69**	**238,527**

Increasingly, we have depended on loans from banks the issue of redeemable non-convertible debentures the issue of subordinate debt as the primary sources of our funding. We believe that we have developed stable long-term relationships with our lenders and established a track record of timely servicing of our debts and have been able to secure concessionary /competitive interest rate from the lenders to bring down the cost of borrowings.

Capital Adequacy

We are subject to the capital adequacy ratio ("**CAR**") requirements prescribed by the RBI. We are currently required to maintain a minimum CAR of 15.00% based on our total capital to risk-weighted assets. Further, for a NBFC primarily engaged in lending against gold jewellery such as us, we are required to maintain an overall capital adequacy ratio of 15.00%. Our capital adequacy ratio as of June 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 computed on the basis of applicable RBI requirements was 18.92%¸20.01%, 21.34% and 19.42%, respectively.

Risk Management

Risk management forms an integral element of our business strategy. At an entity level, the objective of risk management is to align the risk appetite of our Company with its strategy. At an operational level, it is intended to enable our Company to make consistent business and operational decisions across all units and departments within the broad risk appetite of our Company. The major risks we face are credit risk, collateral risk, market risk, interest rate risk, liquidity risk and operational risk.

Credit risk

Credit risk is the risk of loss due to the failure of counterparty in meeting its obligations in accordance with agreed terms. Our Company's credit risk arises from the loans that it extends to its borrowers. The management of credit risk starts with robust procedures for approval of the rate per gram used to calculate the loan amount and appraisal of the collateral. However, the risk is minimized since all loans are granted against the collateral of gold jewellery which can be liquidated with relative ease to recover all amounts due to our Company.

Collateral risk

Collateral risk arises from a decline in the value of the gold collateral due to fluctuation in gold prices. Our Company has an ongoing process whereby the lending rate per gram of gold is calculated at the average of the closing price of 22 carat gold for the preceding 30 days on quote by Bombay Bullion Association (BBA), which is provided by AGLOC We are currently maintaining a loan to value of 75.00%, in accordance with the directions issued by RBI.

Market risk

Market risk is the risk that the value of a portfolio, either an investment portfolio or a trading portfolio, will decrease due to the change in value of the market risk factors. Our Company has a very small investment portfolio and does not trade in equities or other financial instruments. The Company's foreign currency operations are restricted to the sale and purchase of currencies from retail customers, purchases being made on a need basis and currency receipts being sold in the market within a short time. Our Company is therefore not exposed to a significant market risk.

Interest rate risk

Interest rate risk refers to the impact that fluctuating interest rates may have on the net interest margin. Our Company's interest rate exposure is not significant, considering that most of its fixed interest earning assets have an average maturity period of three to four months only while a major part of its interest bearing liabilities are not expected to be repriced significantly during the period.

Liquidity risk

Liquidity risk is the risk of being unable to raise necessary funds from the market to meet operational and debt servicing requirements. Liquidity is managed by monitoring short to medium term forecasts of business growth, estimation (based on historic data) of the risk of potential liabilities and our Company's other debt service obligations. Typically, the average tenor of our Company's lending portfolio is three to four months whereas the liabilities are of a longer term.

Operational risk

Operational risk is the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events. Our Company has laid down detailed policies and procedures for all its operational activities including a manual of instructions for all activities performed at the branches. All strong rooms, which are built according to RBI specifications at the branches are under dual/joint custody. The company has introduced tamper evident envelopes in all the branches across the country. The tamper evident envelope is expected to bring about a higher degree of safety to the gold pledged with us by our customers.

A centralised team of internal auditors and gold inspectors perform regular and surprise reviews and inspections at all locations and follow up with the management on all audit observations until these are satisfactorily resolved. In accordance with our internal audit policy, all of our branches are subject to periodic inspection. Feedback is provided to the operations department and the process management team on all process improvement/enhancement issues. Each branch data is reviewed centrally. Exceptions or deviations that are identified through the use of automated software are discussed and followed up with the respective branches. Our Company places emphasis on the development of its employees through a formal training and induction process after recruitment and a continuous learning process through various means including e-learning. We also continuously review and enhance operational processes as part of our continuous improvement philosophy.

Credit Rating

We have been assigned CRISIL [AA-/Stable] rating by CRISIL for our bank facilities, "CRISIL AA-/Stable" rating by CRISIL and "BWR AA-/(Stable)" rating by Brickworks for its various non-convertible debt instruments, "CRISIL A/Stable" rating by CRISIL for ₹ 69,900 lakh perpetual bonds and "BWR A+/Stable" rating by Brickworks for ₹ 37.400 lakh perpetual bonds and "CRISIL A1+" rating by CRISIL for its short term debt programme.

Treasury Operations

Majority of our gold loan disbursals and repayments are in cash which necessitates maintaining a certain level of cash holding at the branches at all times to ensure a quick service to the customer. We retain cash up to 0.5% of the Gold loan outstanding of the branch or ₹2 lakhs, whichever is higher. Additional fund requirements of the branches are met from the head office of the Company by way of bulk RTGS/ NEFT transfers through designated banks in accordance with the treasury policy. This enables the Company to disburse funds to the branches promptly upon requests from the branches. Excess funds available at the branches are transferred to the bank account of the head office of the Company on a daily basis. This ensures an efficient utilisation of the funds, minimizing the holding of idle cash. Branches can also transfer funds/cash from /to nearby branches in case of need.

Competition

Although the business of providing loans secured by gold is a time-honored business (unorganized pawn-broking shops being the main participants), the Gold loan business in India remains very highly fragmented. Our Board believes that we can achieve economies of scale and increased operating efficiencies by increasing the number of branches under operation and utilising modern point-of-sale systems and proven operating methods. We operate in largely un-tapped markets in various regions in India where banks currently provide Gold loans. We also compete with pawnshops and financial institutions, such as consumer finance companies. Other lenders may lend money on an unsecured basis, at interest rates that may be lower than our service charges and on other terms that may be more favorable than ours. We believe that the primary elements of competition are the quality of customer service and relationship management, branch location and the ability to loan competitive amounts at competitive rates. In addition, we believe the ability to compete effectively will be based increasingly on strong general management, regional market focus, automated management information systems and access to capital. Our main competition is from various Kerala based banks and other specialised Gold loan NBFCs.

Insurance Coverage

We maintain insurance coverage on all our assets located at our head office, on all our movable assets in branch premises and locations of our wind energy business owned by us against fire and special perils. Our insurance policies are generally annual policies that we renew regularly. We have also established a scheme of insurance with the Life Insurance Corporation of India for providing gratuity benefits to the employees of the Company are in the name and style – "*Muthoot Fincorp Employees Group Gratuity Assurance Scheme*".

Intellectual Property

The trademark/service mark and logo in connection with the "Muthoot Pappachan" brand and the "Muthoot Fincorp" logo are pending registration in various classes including classes which pertain to our Company's business. Our Promoters have applied for but not obtained registrations in connection with protection of the aforesaid trademarks and logos. There can be no assurance that our Promoters would be able to obtain registrations of the aforesaid logos and trademarks under each or all of the classes. Once such trademarks and/or logos are registered we intend to enter into an agreement with our Promoters for the use of such logos and/or trademarks. For further details, see section titled "*Risk Factors*" on page 19.

Property

Our registered office is at Muthoot Centre, TC No 27/3022 Punnen Road Trivandrum 695 001, Kerala which is being used by us on a leasehold basis. We typically enter into lease agreements for these strategic business unit and branch locations. If these leases are not renewed on a timely basis or at all, we do not think that relocating would materially and adversely affect our operations and profitability.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was originally incorporated as a public limited company known as Muthoot Debt Management Services Limited, pursuant to receipt of a certificate of incorporation dated June 10, 1997, from the ROC. Our Company received a certificate for commencement of business on June 10, 1997. Subsequently, the name of our Company was changed to Muthoot Fincorp Limited and a fresh certificate of incorporation dated March 19, 2002 was issued to our Company by the ROC.

Our Company is registered as a non-deposit accepting NBFC with the RBI pursuant to the certificate of registration No. N-16.00170 dated July 23, 2002 issued by the RBI under Section 45 IA of the RBI Act.

Registered Office

The Registered Office of our Company is located at Muthoot Centre, TC No. 27/ 3022, Punnen Road, Trivandrum – 695 001, Kerala, India.

Corporate Office

The Corporate Office of our Company is located at Muthoot Centre, Near Spencer Junction, M.G. Road, Trivandrum – 695 039, Kerala, India.

Main objects of our Company

The main objects of our Company, as contained in the Memorandum of Association include:

1. To carry on the business of a loan company as per RBI guidelines and to carry on and undertake financing by way of giving loans and/or advances and financing otherwise of the activities of others and to receive money on deposits at interest or otherwise for fixed periods as prescribed from time to time by RBI.

2. To carry on the business of money lending in accordance with the RBI guidelines and other applicable laws in force and also giving loans and advances to the weaker sections of the society at preferential rate of interest subject to the ceiling fixed from time to time as prescribed by the RBI, but the Company shall not carry on the business of banking as defined in The Banking Regulation Act, 1949.

3. To carry on the business as authorised dealer, money changer, offshore banker or any other person for the time being authorised to deal in foreign exchange or foreign securities or such other activities and to undertake cross border inward money transfer activities subject to the rules and regulations of the RBI.

4. To take over as going concern, the business of the partnership firms, Muthoot Bankers with their assets and liabilities, manage their affairs and dissolve the firms after the takeover.

5. To solicit and procure insurance business as corporate agency (composite) in respect of all classes of insurance and to undertake such other activities as are incidental or ancillary thereto as permitted by the Insurance Regulatory and Development Authority of India (IRDAI) under IRDAI (Registration of Corporate Agents) Regulations, 2015 as amended from time to time.

6. To distribute, market or promote other financial products and services and to act as collection agents of non-competing businesses through physical and digital medium.

7. To facilitate safe custody of gold ornaments to customers at the places of business of the Company and to provide locker facility.

The Objects to be pursued by the Company on its incorporation as stated in Clause III Aof the Memorandum of Association and matters which are necessary for the furtherance of the objects specified in Clause III A enable our Company to undertake its existing activities and the activities for which the funds are being raised through the Issue.

We have not received any awards and recognitions in the in the last three fiscals.

Key terms of our Material Agreements

Material Agreements:

I. **For sharing of services among the Group Companies, the Company had entered into agreements with various Group Companies. Now, the parties concerned have decided to introduce a concept of Master Service Agreement ("MSA") along with Service Level Agreements ("SLAs") towards each shared service. As per the same, the general terms and conditions are captured in the MSA and the terms specific to each service, including the agreed commercials, are captured in the SLA. Accordingly, the Company has entered into the following agreements:**

(a) **Master Service Agreement dated April 1, 2019 with Muthoot Capital Services Limited ("MCSL") for sharing / providing various services. The following SLAs are executed wherein the services shared are detailed:**

i. SLA dated April 1, 2019 for sharing the branch network and infrastructure of the Company in connection with its business, inter alia, consisting of disbursing two wheeler vehicle loans and collecting the instalments of two wheeler loans from their Customers;
ii. SLA dated April 1, 2024 for acting as the broker of MCSL for canvasing Public Deposits and collecting application forms along with the supporting documents from prospective depositors and forward to MCSL.
iii. SLA dated April 1, 2019 for utilizing the safe custody facility for the gold jewellery pledged with MCSL by its vehicle loan customers at MFL branches;
iv. SLA dated April 1, 2019 for sourcing of MCSL's used car loan and collecting EMI from the Customers;
v. SLA dated April 1, 2019 for utilizing the space specifically allotted at branches of the Company;
vi. SLA dated April 1, 2019 for the collection of EMI from the Customers who availed SME Loans from MFL; and
vii. Agreement for Gold Loan business Sourced.

(b) **Master Service Agreement dated April 1, 2019 with Muthoot Microfin Limited ("MML") for sharing / providing various services. The following SLAs are executed wherein the services shared are detailed:**

i. SLA dated April 1, 2019 for disbursement of microfinance loans and collection of receipts from their Customers;
ii. SLA dated April 1, 2019 to acquire Customers, collect repayment of Muthoot Small and Growing Business Loans (MSGB);
iii. SLA dated April 1, 2019 to acquire Customers, collect repayment from OLA Auto and Cab drivers to purchase of smart phone;
iv. SLA dated April 1, 2019 to acquire Customers, collect repayment of Consumer Durable loan along with interest;
v. SLA dated April 1, 2019 for utilizing the space specifically allotted at branches of the Company;
vi. SLA for sourcing Gold Loan business; and
vii. SLA services for Gold Appraisal, Custody of Gold, Auctioning of Gold, the Customer Due Diligence including KYC verification etc.

(c) **Master Service Agreement dated April 1, 2019 with Muthoot Housing Finance Company Limited ("MHFL") for sharing / providing various services. The following SLAs are executed wherein the services shared are detailed:**

i. SLA dated April 1, 2019 for utilizing the space specifically allotted at branches of the Company;
ii. Agreement for Referral Incentive Program for home loan referrals; and
iii. SLA dated July 22, 2020 for utilizing the space specifically allotted at branches of the Company.

(d) **Master Service Agreement dated February 26, 2019 with Muthoot Pappachan Chits (India) Limited ("MPCIPL") for distributing and collecting chit application forms and collect chit instalments through the branch network of the Company. The following SLA is also executed wherein the services shared are detailed:**

SLA dated April 30, 2019 for utilizing the branch space at Mankavu of the Company.

(e) **Master Service Agreement dated June 23, 2020 with Muthoot Housing Finance Company Limited**

("MHFL") for Gold Loan sourcing services. The following SLA is executed wherein the services shared are detailed:

SLA dated June 23, 2020 for Sourcing Gold Loan Services.

(f) Space Sharing Arrangements

As per the above arrangements, among others, the Company has agreed to provide identified physical space located at its branches/ offices at various locations for use of authorised employees/ representatives of MML, MCSL, MHFCL and MPCIPL respectively. The identified premises are being provided for developing and servicing the businesses undertaken and carried on by MML, MCSL MHFCL and MPCIPL.

A gist of the said arrangements is as provided below:

Company	Agreement Date	Live Branches	Total Rent (in ₹) as on June 30, 2024	Period
MML	April 1, 2019	2	34,936.29	10 (ten) years
	April 1, 2018	1	19,837.50	10 (ten) years
	April 1, 2021	1	18,700.00	8 years
MHFCL	April 1, 2019	13	92,205.00	10 (ten) years
	July 22, 2020	1	7,552.00	10 (ten) years
	January 29, 2020	1	2,784.00	10 (ten) years
	January 20, 2022	1	4,190.00	10 (ten) years
	March 23, 2022	1	22,297.00	9 years
	August 9, 2022	2	15,910.00	Upto May 15, 2031
	December 1, 2022	1	8,800.00	Upto June 30, 2032
MCSL	April 1, 2019	9	3,401.00	Upto October 31, 2028
MPCIPL	April 1, 2013	1	1,65,549.40	Upto January 21, 2023
	May 10, 2024	1	35,740.56	Up to January 31, 2032
	November 1, 2022	1	19,756	Up to May 31, 2025
	July 15, 2022	1	35,000	Up to July 31, 2030

II. Lease Agreements:

(a) The Company has entered into lease agreements with MML, MAIPL and Muthoot Motors (Cochin), the details of which are provided below:

Company	Lease Agreement	Location	Rent as on June 30, 2024 (in ₹)	Security Deposit (₹)	Period (Years)
MML	May 1, 2016	Vellanad Junction, Trivandrum	33,095.00	67,200	10
	February 1, 2016	Vellanad Junction, Trivandrum	20,093 .78	40,800	10
	December 1, 201	Vellanad Junction, Trivandrum	15,425.14	31,320	10
	April 1, 2016	Bandra, Mumbai	16,181 .97	-	10
MAIPL	March 29, 2022	Kollam Showroom	5,17,111.09	-	3

(b) The Company has entered into lease agreements with Group Companies, the details of which are provided below:

Company	Lease Agreement, effective date	Live branches	Rent per month as on June 30, 2024 (in ₹)	Validity up to	Location
Muthoot Motors	February 1, 2013	1	5,83,593.00	January 31, 2028	Pattom
	February 6, 2017	1	1,02,824.38	February 5, 2027	Ulloor
Muthoot Exim	May 1, 2023	1	1,87,980.15	April 30, 2028	Sunshine Towers

(c) The Company has entered into sub-lease agreement with Group Companies, the details of which are provided below:

Company	Lease Agreement	Live branches	Rent per month as on June 30, 2024 (in ₹)	Validity Up to	Location
MRIBS	August 16, 2019	1	10,997.44	January 31, 2032	STN Chambers, Vazhuthacaud
	July 1, 2014	1	1,42,830.00	January 31, 2032	STN Chambers, Vazhuthacaud
MPG Hotels	April 1, 2018	1	1,24,551.00	March 31, 2029	STN Chambers, Vazhuthacaud
	August 1, 2016	1	9,600.00	January 31, 2029	STN Chambers, Vazhuthacaud
MPG Security	November 1, 2023	1	64,314.34	December 31, 2028	Subash Palace, Delhi
	November 14, 2010	1	48,056.40	November 13, 2030	Infantry Road, Bangalore
	November 1, 2013	1	27,366.03	October 31, 2023	Vishakhaptnam
	February 1, 2012	1	57,851.44	January 31, 2032	Thane, Maharashtra
	November 1, 2011	1	8,030.00	October 31, 2031	Madurai, Tamil Nadu
	August 11, 2021	1	15,286.21	August 11, 2029	West Mambalam

III. Agreement dated March 31, 2016 with MML and Addendum dated November 1, 2016 and January 31, 2017 to the original agreement

The agreements cover sale of identified assets of the Company, including *inter alia* computers, printers, scanners, office furniture to MML. In consideration of the sale, it has been agreed in the agreement that MML shall pay to MFL a lump sum amount of ₹1,58,75,655. The effective date for sale of assets on which the assets shall be transferred was identified as March 31, 2016 in the agreement. By way of addendum agreements, the Company has further agreed to sell some assets to MML for a lump sum amount of ₹27,73,271 as on November 1, 2016 and ₹25,79,907 as on January 31, 2017.

IV. Agreement dated January 31, 2022, between the Company and Mr. Thomas Muthoot, Executive Director, and agreement dated January 31, 2022, between the Company and Mr. Thomas John Muthoot, Managing Director

Pursuant to the unanimous resolution passed by the board of directors of the Company at its meeting held on January 31, 2022 and the approval of the members of the Company at the extra-ordinary general meeting held on March 28, 2022, the Company had re-appointed Mr. Thomas Muthoot as the Executive Director and Mr. Thomas John Muthoot as the Managing Director of the Company for a period of five years with effect from February 1, 2022. The said agreements have been entered in connection with their re-appointment.

The Company has the right to terminate the services of Executive Director and Managing Director by giving not less than three months' notice in writing or three months' salary in lieu thereof.

V. Agreement in relation to Terms of Inter Se Project Engagement dated December 14, 2015 with MPG Hotels and Infrastructure Ventures Private Limited ("MPG")

The Company has a valid title over the property as described in the agreement located in Thiruvananthapuram, Desom, Kowdiar Village, Thiruvananthapuram Taluk, and Thiruvananthapuram District. The Company vide the agreement (the "**Development Agreement**") authorised and empowered MPG to develop the said property into a premium residential complex at its own cost as per the specifications, terms and conditions laid down in the agreement (the "**Development**"). MPG has agreed to complete the construction of the flats/ units within 48 months from the date of receiving final building permit from the government agencies/ statutory authorities. In consideration of permitting the Development, MPG shall pay to the Company 30% of the full sale value of each unit while MPG may retain the balance. The parties may terminate the Development Agreement by giving 30 days' written notice to the other party in the event of delay in getting the required building permits within one year from the date of the Development Agreement or MPG failing to commence construction within one year from the date of receipt of building permit or MPG failing to progress the construction according to agreed timelines. The Development

Agreement was cancelled vide the cancellation deed dated March 30, 2016. The Development Agreement was cancelled in view of restructuring of project execution. An amount of ₹9,00,000 paid by MPG to the project consultant was instructed to be refunded.

VI. Agreement for asset management services dated March 30, 2016 with MPG and Amendment letter dated April 25, 2018

MPG has been appointed as an asset manager for *inter alia* keeping all relevant records/ documents pertaining to the properties of the Company, maintenance of building, compound wall, utility lines, facilitating payment of utility bills etc., and advising regarding prospective business opportunity of the properties. The agreement provides that MPG shall be paid a retainer fee of the amount of ₹1,10,000 plus applicable taxes per month by the Company in consideration of the services with effect from April 1, 2018 as per amendment letter dated April 25, 2018. The agreement may be terminated by either party upon failure of other party to remedy its default in the performance or breach of any terms of the agreement after giving a 30 days' notice, upon occurrence of an irremediable default in the performance or breach of terms by the other party or on the other party becomes insolvent or bankrupt or makes a composition with its creditors.

VII. Agreement dated April 1, 2020 with Muthoot Pappachan Technologies Limited ("MPT") for providing consultancy, advisory, and other services to MFL

Pursuant to the aforementioned agreement the Company is desirous of engaging MPTL to provide consultancy, advisory, and other services related to IT and also providing training to its staff on IT and related activities. The Company is required to pay fee for the services availed from MPTL in accordance with the agreement. The period of the agreement is for five years, commencing April 1, 2020. Either party would have the right to terminate the agreement by giving thirty days' notice in writing to the other party.

VIII. Loan to Directors

As per the loan agreements dated October 26, 2022, October 26, 2022 and October 26, 2022 the Company has advanced a loan of Rs. 5,000 lakhs each to the following Directors. The term of each agreement is 30 months and the outstanding amount of each of the loans is as provided below:

Sr. No.	Name of Director	Outtsanding Amount (₹ in lakhs)	Interest Rate	Period
1.	Thomas John Muthoot	3,320.00	12.00%	Repayable by April 25, 2025
2.	Thomas George Muthoot	2,418.00	12.00%	Repayable by April 25, 2025
3.	Thomas Muthoot	5,000.00	12.00%	Repayable by April 25, 2025

IX. Space Allocation agreement dated April 1, 2019 with Muthoot Risk Insurance Broking Services Private Limited (MRIBS) for advertising various insurance products by utilizing branch spaces of the Company.

Pursuant to the aforementioned agreement, Our Company has agreed to allow MRIBS to exhibit advertising materials of their various insurance products by displaying its signages, hoardings, at about 1000 Branches of the Company at a time on rotational basis. The said agreement dated April 1, 2019 has been amended to renew and extend the duration for a further period of three years from April 1, 2022 till March 31, 2025.

X. Agreement dated March 26, 2018 with Muthoot Estate Investments (MEI) for hiring of Office Space at Attingal.

The Company has entered into agreements with MEI for hiring 815 sq.ft of building premises at Ground Floor, Muthoot Buildings, NH Road, Near Civil Station, Attingal, Thiruvananthapuram for a period of ten years with effect from January 1, 2018 at a monthly rent of ₹64,670 and security deposit of ₹1,46,700.

Key terms of our other key agreements

NA

Holding Company

Our Company does not have a holding company.

Subsidiaries

As on the date of this Shelf Prospectus, our Company has the following subsidiaries:

I. Muthoot Housing Finance Company Limited ("MHFCL")

MHFCL was incorporated pursuant to a certificate of incorporation dated March 5, 2010 and obtained a certificate of commencement of business dated June 1, 2011, issued by the Registrar of Companies, Kerala and Lakshadweep. It obtained a certificate of registration dated February 11, 2011, from the National Housing Bank, to commence the business of a housing finance institution, without accepting public deposits. The registered office of MHFCL is situated at TC No 14/2074-7, Muthoot Centre, Punnen Road, Thiruvananthapuram, Kerala 695039.

Our Company owns 82.56% shareholding of MHFCL as on June 30, 2024.

Shareholding pattern as on June 30, 2024:

Sr. No.	Name of Shareholder	No. of equity shares held	Percentage of issued equity share capital (%)
1.	Muthoot Fincorp Limited	6,73,74,005	82.560
2.	Thomas John Muthoot	42,97,885	5.267
3.	Thomas George Muthoot	42,97,890	5.267
4.	Thomas Muthoot	42,97,890	5.267
5.	MHFL Employee Welfare Trust	13,28,766	1.627
6.	Preethi John Muthoot	3,265	0.004
7.	Nina George	3,265	0.004
8.	Remmy Thomas	3,265	0.004
	Total	**8,16,06,231**	**100.00**

Board of directors:

The board of directors of MHFCL comprises of the following persons:

i. Mr. Thomas John Muthoot; Director;
ii. Mr. Thomas George Muthoot; Director;
iii. Mr. Thomas Muthoot, Managing Director; and
iv. Mr. Santanu Mukherjee, Director.
v. Mr. Suresh Mahalingam, Director.

II. Muthoot Microfin Limited ("MML")

Muthoot Microfin Limited was originally incorporated as Panchratna Stock and Investment Consultancy Services Private Limited pursuant to a certificate of incorporation dated April 6, 1992 at Mumbai, Maharashtra, India as a private limited company under the Companies Act, 1956. The Company was converted into a public limited company pursuant to a special resolution passed by our Shareholders at the EGM held on April 30, 1994 and the name of the Company was changed to Panchratna Stock and Investment Consultancy Services Limited pursuant to the fresh certificate of incorporation dated June 9, 1994.

Subsequently, the name of Panchratna Stock and Investment Consultancy Services Limited was changed to Panchratna Securities Limited pursuant to the fresh certificate of incorporation dated June 22, 1994. The Reserve Bank of India ("**RBI**") granted a certificate of registration dated March 18, 1998 bearing no. 13.00365 to our Company for registration as an NBFC under Section 45 IA of the Reserve Bank of India Act, 1934.

As a part of diversification programme and to offer more impetus to micro finance business, the Promoters of Muthoot Pappachan Group has acquired equity holding in Panchratna Securities Limited in September 2012. Subsequently, the name of Panchratna Securities Limited was changed to Muthoot Microfin Limited to reflect the group identity of the Promoters, i.e., "Muthoot Pappachan Group" and operations of the Company and a fresh certificate of incorporation dated November 6, 2012 was issued by the Registrar of Companies, Mumbai. Subsequently, the Company was granted NBFC-Microfinance Institution ("**NBFC-MFI**") status by the RBI with effect from March 25, 2015. The registered office of the Company is situated at 13th floor, Parinee Crescenzo, Bandra Kurla Complex, Bandra East, Mumbai 400 051.

Shareholding pattern of MML as on June 30, 2024

Category	Category of Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no of shares (As a % of (A+B+C2))	Number of Voting Rights held in each class of securities			No of Shares Underlying Outstanding converttible securities (Including Warrants)		Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
								Class X	Class Y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)			(X)		(XI)	(XII)		(XIII)		(XIV)
(A)	Promoter & Promoter Group	7	94565832	0	0	94565832	55.47	94565832	0	94565832	55.47	0	55.47	34150000	36.11	0	0.00	94565832
(B)	Public	170253	72956708	0	0	72956708	42.79	72956708	0	72956708	42.79	0	42.79	0	0	NA	NA	72956708
(C)	Non Promoter-Non Public	1	2969636			2969636		2969636		2969636	1.74			0	0			2969636
(C1)	Shares underlying DRs	0	0	0	0	0	NA	0	0	0	0.00	0	NA	0	0.00	NA	NA	0
(C2)	Shares held by Employee Trusts	1	2969636	0	0	2969636	1.74	2969636	0	2969636	1.74	0	1.74	0	0.00	NA	NA	2969636

	Total:	**170261**	**170492 176**	**0**	**0**	**1704921 76**	**100.00**	**17049 2176**	**0**	**17049 2176**	**100**	**0**	**98**	**341500 00**	**20.0 3**	**0**	**0.00**	**17049217 6**

Board of directors:

The board of directors of MML comprises of the following persons:

i. Mr. Thomas John Muthoot, Director;
ii. Mr. Thomas George Muthoot, Director;
iii. Mr. Thomas Muthoot, Managing Director;
iv. Mr. Akshaya Prasad, Director;
v. Mr. Mr. John Tyler Day, Director;
vi. Mr. Alok Prasad, Independent Director;
vii. Mrs. Bhama Krishnamurthy, Independent Director;
viii. Mrs. Pushpy Muricken, Independent Director;
ix. Mr. Thai Salas Vijayan, Independent Director; and
x. Mr. R Anand, Independent Director.

III. Muthoot Pappachan Technologies Limited (formerly Muthoot Pappachan Technologies Private Limited) ("MPTL")

MPTL was originally incorporated as a private company pursuant to the certificate of incorporation dated November 16, 2012, issued by the Registrar of Companies, Kerala and Lakshadweep. Subsequently, upon conversion to a public company, the name of Muthoot Pappachan Technologies Private Limited was changed to Muthoot Pappachan Technologies Limited (MPTL) and a fresh certificate of incorporation dated July 5, 2013 was obtained from the Registrar of Companies, Kerala and Lakshadweep.

Shareholding pattern as on June 30, 2024:

Sr. No.	Name of Shareholder	No. of equity shares held	Percentage of issued equity share capital (%)
1.	Muthoot Fincorp Limited	30,000	60.00
2.	Thomas John Muthoot	3,334	6.67
3.	Thomas George Muthoot	3,333	6.67
4.	Thomas Muthoot	3,333	6.67
5.	Preethi John Muthoot	3,333	6.66
6.	Nina George	3,333	6.66
7.	Remmy Thomas	3,334	6.67
	Total	**50,000**	**100.00**

Board of directors:

The board of directors of MPTL comprises of the following persons:

i. Thomas John Muthoot, Director;
ii. Thomas George Muthoot, Director; and
iii. Thomas Muthoot, Director.

OUR MANAGEMENT

Board of Directors

The general superintendence, direction and management of the operations, affairs and business of the Company are vested in the Board of Directors, which exercises its power subject to the Memorandum and Articles of Association of our Company and the requirements of the applicable laws. The Articles of Association set out that the number of Directors in our Company shall not be less than 3 (three) and not more than 15 (fifteen) in number.

The composition of the Board is in conformity with section 149 of the Companies Act, 2013. Currently, the Company has nine Directors on its Board. The Managing Director of the Company is Mr. Thomas John Muthoot.

The following table sets out details regarding the Board of Directors, as on the date of this Shelf Prospectus:

Name, Designation and DIN	Age	Address	Date of Appointment	Details of other directorships
Thomas John Muthoot **Designation**: Managing Director **DIN:** 00011618	62 years	TC 4/1008, (1), Kawdiar, PO, Trivandrum 695 003, Kerala, India	June 10, 1997	**Indian:** 1. Mariposa Agri Ventures and Hospitalities Private Limited 2. MPG Hotels and Infrastructure Ventures Private Limited 3. Muthoot APT Ceramics Limited 4. Muthoot Automobile Solutions Private Limited 5. Muthoot Automotive (India) Private Limited 6. Muthoot Buildtech (India) Private Limited 7. Muthoot Capital Services Limited 8. Muthoot Equities Limited 9. Muthoot Hotels Private Limited 10. Muthoot Housing Finance Company Limited 11. Muthoot Land and Estates Private Limited 12. Muthoot Motors Private Limited 13. Muthoot Pappachan Medicare Private Limited. 14. Muthoot Pappachan Technologies Limited 15. Muthoot Risk Insurance and Broking Services Private Limited 16. Muthoot Microfin Limited 17. Trivandrum Centre for Performing Arts 18. Muthoot Pappachan Centre of Excellence in Sports 19. Speckle Internet Solutions Private Limited.
Thomas George Muthoot **Designation**: Director **DIN:** 00011552	62 years	Muthoot Towers, College Road, P.O. M G Road, Ernakulam 682 035, Kerala, India	June 10, 1997	**Indian:** 1. Buttercup Agri Projects and Hospitalities Private Limited 2. Fox Bush Agri Development and Hospitalities Private Limited 3. Jungle Cat Agri Development and Hospitalities Private Limited 4. Mandarin Agri Ventures and Hospitalities Private Limited

Name, Designation and DIN	Age	Address	Date of Appointment	Details of other directorships
				5. MPG Hotels and Infrastructure Ventures Private Limited 6. Muthoot APT Ceramics Limited 7. Muthoot Automobile Solutions Private Limited 8. Muthoot Automotive (India) Private Limited 9. Muthoot Capital Services Limited 10. Muthoot Hotels Private Limited 11. Muthoot Housing Finance Company Limited 12. Muthoot Pappachan Medicare Private Limited 13. Muthoot Pappachan Technologies Limited 14. Muthoot Properties (India) Private Limited 15. Muthoot Risk Insurance and Broking Services Private Limited 16. The Thinking Machine Media Private Limited 17. Muthoot Microfin Limited 18. Finance Companies' Association (India). 19. Muthoot Pappachan Centre of Excellence in Sports 20. Muthoot Infrastructure Private Limited 21. Speckle Internet Solutions Private Limited
Thomas Muthoot **Designation**: Executive Director and Chief Financial Officer. **DIN:** 00082099	58 years	7/59 A, Near Kaniyampuzha Bridge Cherukad, Eroor P O, Ernakulam, Kerala, India	June 10, 1997	**Indian:** 1. MPG Hotels and Infrastructure Ventures Private Limited 2. Muthoot Agri Development and Hospitalities Private Limited 3. Muthoot Agri Projects and Hospitalities Private Limited 4. Muthoot APT Ceramics Limited 5. Muthoot Automobile Solutions Private Limited 6. Muthoot Automotive (India) Private Limited 7. Muthoot Capital Services Limited 8. Muthoot Dairies and Agri Ventures Private Limited 9. Muthoot Hotels Private Limited 10. Muthoot Housing Finance Company Limited 11. Muthoot Motors Private Limited 12. Muthoot Pappachan Technologies Limited 13. Muthoot Risk Insurance and Broking Services Private Limited 14. The Right Ambient Resorts Private Limited 15. Muthoot Pappachan Centre of

Name, Designation and DIN	Age	Address	Date of Appointment	Details of other directorships
				Excellence in Sports 16. Muthoot Microfin Limited 17. M-Liga Sports Excellence Private Limited 18. The Thinking Machine Media Private Limited 19. Prime Volleyball League Private Limited 20. Speckle Internet Solutions Private Limited
Preethi John Muthoot **Designation**: Director **DIN:** 00483799	59 years	TC 4/1008, (1), Kawdiar, PO, Trivandrum 695 003, Kerala, India	September 17, 2019	**Indian:** 1. Muthoot Infrastructure Private Limited 2. Muthoot Exim Private Limited 3. Muthoot Kuries Private Limited 4. Muthoot Pappachan Chits (India) Private Limited 5. Alaska Agri Projects and Hospitalities Private Limited 6. Bamboo Agri Projects and Hospitalities Private Limited. 7. Calypso Agri Development and Hospitalities Private Limited 8. Cinnamon Agri Development and Hospitalities Private Limited 9. El Toro Agri Projects and Hospitalities Private Limited 10. Goblin Agri Projects and Hospitalities Private Limited 11. Mandarin Agri Ventures and Hospitalities Private Limited 12. Muthoot Agri Projects and Hospitalities Private Limited 13. Muthoot Dairies and Agri Ventures Hospitalities Private Limited 14. The Thinking Machine Media Private Limited 15. MPG Precious Metals Private Limited (Dormant) 16. Muthoot Holdings Private Limited 17. MPG Security Group Private Limited.
Arrattukkulam Peter Kurian **Designation**: Independent Director **DIN:** 00008022	91 years	9, Friendship, 23rd Road, TPS III, Bandra (W), Mumbai 400 050, Maharashtra, India	January 30, 2007	**Indian:** 1. Muthoot Capital Services Limited 2. Union Trustee Company Private Limited
Vikraman Ampalakkat **Designation**: Independent	76 years	G-3, Block 2, V B Royal Apartment, Elamakkara Road,	October 21, 2007	**Indian:** 1. ESAF Financial Holdings Private

Name, Designation and DIN	Age	Address	Date of Appointment	Details of other directorships
Director **DIN:** 01978341		Edappally, Kochi, 682 024, Kerala, India		Limited
Badal Chandra Das **Designation**: Independent Director **DIN:** 09758076	65 years	Flat No. 1701, 16th Floor, Tower No. 3, Action Area-3, Uniworld City Heights, New Town North 24, Parganas, Kolkata 700156, West Bengal, India	February 28, 2023	**Indian:** 1. Haldia Petrochemicals Limited
Ravi Ramchandran **Designation**: Independent Director **DIN:** 10048011	61 years	R8 Pine Green CLOVER by the River, River View Road, Kotturpuram, Chennai 600085, Tamil Nadu, India	February 28, 2023	Nil
Anthony Abraham Thomas **Designation**: Independent Director **DIN:** 07749806	53 years	Parinthirickal House PNRA-G 37, TC X/834, Mannanthala, Thiruvananthapuram, Kerala,India,695015	February 05, 2024	**Indian:** 1. Clap Smart Learn Private Limited 2. Buildnext Construction Solutions Private Limited 3. Ospyn Technologies Limited

Our Company confirms that the PAN of the Directors has been submitted to the Stock Exchanges at the time of filing the Draft Shelf Prospectus.

Confirmations

None of our Directors have been identified as a 'wilful defaulter' by the RBI, ECGC, any government/regulatory authority and/or by any bank or financial institution, and none of our directors are otherwise associated in any manner with any company that appears in the list of the vanishing companies as maintained by the Ministry of Corporate Affairs.

Brief Profiles of Directors

Mr. Thomas John Muthoot, aged 62 years, is the Managing Director of the Company. He holds a bachelor's degree in commerce from the University of Kerala. He is an alumnus of the Harvard Business School having completed his OPM program in 2014, he is the Member of the CII Kerala State Council, Member of the Chamber of Commerce, Trivandrum.

In recognition of his entrepreneurial talent in hospitality and of his professionalism in management, the Federation of Hotel and Restaurant Association of India (FHRAI) had honoured him with the prestigious "Young Hotel Entrepreneur Award" for the year 2006. In the year 2009, the Chamber of Commerce, Trivandrum had selected him as the "Businessman of the year" for his contribution to the Hospitality Sector.

Mr. Thomas George Muthoot, aged 62 years, holds a bachelor's degree in commerce from University of Kerala. He is also the Managing Director of Muthoot Capital Services Limited and Muthoot Hotels Private Limited and a director in the other companies under the "Muthoot Pappachan Group" engaged in hospitality, infrastructure, automotive, property and power generation. He has more than 30 years of experience and exposure in various facets of non-banking financial services. He is the Chairman of Kerala Non-Banking Finance Companies Welfare Association, Kochi, member of Finance Companies Association, and represents the Group at the Association of Gold Loan Companies ("**AGLOC**"). He is also acting as the secretary of AGLOC.

Mr. Thomas Muthoot, aged 58 years leads the Muthoot Pappachan Group's drive to introduce innovative and efficient loan products. He holds a bachelor's degree in law from the University of Kerala. He has an in-depth understanding of consumer preferences and market nuances across India, resulting in the Group's launch of various new financial products. His knowledge of emerging markets and their functions have been harnessed in structuring the business interests of the Group.

Muthoot Pappachan Group's initiatives in the microfinance sector are spearheaded by Mr. Thomas Muthoot. One of his primary creations, Muthoot Mahila Mitra, is an unsecured loan programme aimed at women micro entrepreneurs. It offers women a better alternative to unauthorised money lenders. Muthoot Mahila Mitra is backed strongly by an entrepreneurship development programme for women. The programme known as Sthreejyoti is aimed at training women in general and cash management, in addition to offering sales and marketing skills. He was also instrumental in the Muthoot Pappachan Group's foray into housing finance.

Ms. Preethi John Muthoot aged 59 years, holds a master's degree in Arts from the University of Kerala. She is appointed as Additional Director with effect from March 28, 2019. She was designated as Director of the Company with effect from September 17, 2019. She is also a member of the Board of Directors of many MPG group Companies and hence gained several years hands-on experience in the activities of the Group.

Mr. Arrattukkulam Peter Kurian, aged 91 years, holds a bachelor's degree in commerce and a master's degree in economics and statistics from the University of Kerala. He has experience of more than 40 years in the banking and finance industry. Prior to joining the Company, he has held senior positions in the RBI and in the erstwhile Unit Trust of India. He was the executive chairman of Association of Mutual Funds in India, a trade body of all the Mutual Funds operating in India, for 12 years. He was a member of the technical advisory committee of the RBI. Previously, he was the chairman of Geogit Financial Services Limited and was member of boards of several other companies. At present he is also a Director in Muthoot Capital Services Limited and Union Trustee Company Private Limited.He was a leader of the team which set up the Ceybank Unit Trust in Sri Lanka in the early nineties. He has also been a Commonwealth consultant, done research on capital markets in Tanzania and documented a project report for setting up a unit trust in Tanzania. Mr Kurian, for his original contribution in the field of marketing of financial Instruments, was awarded "Marketing Man of the year 1987 Award" instituted by the Institute of Marketing Management. As an efficient manager having contributed substantially to the growth of the Unit Trust of India, the Institute of Marketing Management has awarded him the "Best Marketing Man of the Year" award in 1993. Further, he received the "Best Professional Manager Award" instituted by Life Insurance Corporation of India in 1993.

Mr. Vikraman Ampalakkat, aged 76 years, is an independent director on the Board of the Company. He holds a bachelor's degree in science from the University of Kerala. Mr. Vikraman has experience of more than 38 years in the field of finance, project funding, rehabilitation finance, micro finance, enterprise promotion and banking industry collectively. Prior to joining the Company, Mr. Vikraman has held managerial positions in several reputed organizations such as RBI, Industrial Development Bank of India and Small Industries Development Bank of India.

***Mr. Badal Chandra Das*,** aged 65 years, is an independent director on the Board of the Company w.e.f December 01, 2022. He holds a master's degree in commerce from the University of Kalyani, West Bengal and a Certified Associate of Indian Institute of Bankers (CAIIB). Mr. Badal Chandra Das has a rich all-round Banking experience from State Bank of India (SBI) in various capacities. Retired as Deputy Managing Director from SBI on August 31, 2019, after a tenure of 34 years served in India and abroad in various positions.

***Mr. Ravi Ramchandran*,** aged 61 years, is an independent director on the Board of the Company w.e.f February 28, 2023. He graduated from the University of Madras with a degree in Bachelor's in Commerce. He was associated with Nestle India Limited for more than 35 years, where he held several leadership roles within the organization. During his tenure with Nestle India Limited, he also served as the Director for Sales for over nine years. He was also an executive member for the Diversity and Inclusion Council for Nestle India Limited. He completed the 'Leading the Nestle Way' programme from London School of Business in September 2017.

Dr. Anthony Abraham Thomas aged 53 years is an Independent Director of the Company w.e.f November 11, 2023. He holds a bachelor's degree in technology from the University of Kerala. He is the Chairman of Information and Communication Technology Academy of Kerala.

Relationship with other Directors

Except our Promoter Directors who are siblings and Mrs. Preethi John Muthoot, who is the wife of Mr. Thomas John Muthoot, Managing Director, none of the directors of the Company are related to each other.

Borrowing Powers of our Company

Pursuant to a resolution passed by the members of the Company on September 28, 2022 under the Companies Act, 2013, the Board of Directors is authorised to borrow sums of money on such terms and conditions and for such purposes as the Board may think fit, not exceeding, at any given time, 40 times the aggregate of the paid-up share capital and free reserves of the Company.

The aggregate value of the NCDs offered under this Shelf Prospectus, together with the existing borrowings of the Company, is within the approved borrowing limits as above mentioned.

Remuneration of Directors by the Company

Remuneration of the Executive Directors

The remuneration of the Managing Director, and other Executive Directors comprises remuneration, benefits, allowances and performance-linked incentives etc.

The following table sets forth the details of remuneration paid to the whole-time Directors during the current year and Fiscals 2024, 2023 and 2022:

(₹ in lakhs)

Particulars	For period ended July 31, 2024		For Fiscal 2024		For Fiscal 2023		For Fiscal 2022	
	Salary	Perquisites	Salary	Perquisites	Salary	Perquisites	Salary	Perquisites
Thomas John Muthoot	1,666.67	-	3,750.00	-	3,000.00	-	2,500.00	-
Thomas Muthoot	1,666.67	-	3,750.00	-	3,000.00	-	2,500.00	-

Remuneration of the Non-Executive Directors

The following table sets forth the details of commission/fees paid to the non-executive directors except the independent directors during the current year and Fiscals 2024, 2023 and 2022:

(₹ in lakhs)

Particulars	For period ended July 31, 2024		For Fiscal 2024		For Fiscal 2023		For Fiscal 2022	
	Commission	Sitting Fees	Commission	Sitting Fees	Commission	Sitting Fees	Commission	Sitting Fees
Thomas George Muthoot	333.33	1.00	750.00	4.60	600.00	3.00	500.00	3.50
Preethi John Muthoot	-	0.50	-	3.00	-	2.75	-	2.50

Remuneration of the Independent Directors

The following table sets forth the details of remuneration paid to the Independent Directors during the current year and Fiscals 2024, 2023 and 2022:

(₹ in lakhs)

Particulars	For period ended July 31, 2024		For Fiscal 2024		For Fiscal 2023		For Fiscal 2022	
	Commission	Sitting Fees	Commission	Sitting Fees	Commission	Sitting Fees	Commission	Sitting Fees
Vikaraman A	-	1.00	-	4.85	-	3.25	-	4.00
A P Kurian	-	0.50	-	3.35	-	3.25	-	3.50
Badal Chandra Das	-	0.80	-	4.20	-	1.25	-	-
Ravi Ramachandran	-	0.50	-	3.00	-	0.25	-	-

Anthony Abraham Thomas	-	0.50	-	1.50	-	-	-	-

Remuneration of Directors by the subsidiaries/associate companies of the Company

As on date of this Shelf Prospectus, none of our directors receive remuneration from our subsidiaries/associate companies.

Changes in the Board of Directors during the last three financial years and current financial year

The changes in the Board of Directors of our Company in the last three financial years preceding the date of this Shelf Prospectus and the current financial year are as follows:

Name, Designation and DIN	Date of Appointment	Date of Cessation, if applicable	Date of Resignation, if applicable	Remarks
Thomas John Muthoot Designation: Managing Director DIN: 00011618	February 1, 2022	-	-	Re-appointment
Thomas Muthoot Designation: Executive Director DIN: 00082099	February 01, 2022	-	-	Re-appointment
Thomas George Muthoot Designation: Director DIN: 00011552	September 28, 2022	-	-	Re-appointment
Badal Chandra Das Designation: Independent Director DIN: 09758076	December 1, 2022	-	-	Appointment (as Additional Independent Director)
	February 28, 2023	-	-	Appointment (as Independent Director)
Ravi Ramchandran Designation: Independent Director DIN: 10048011	February 28, 2023	-	-	Appointment
Preethi John Muthoot **Designation**: Director **DIN**: 00483799	September 29, 2023	-	-	Re-appointment
Anthony Abraham Thomas **Designation**: Independent	November 11, 2023	-	-	Appointment (as Additional Independent Director)

Name, Designation and DIN	Date of Appointment	Date of Cessation, if applicable	Date of Resignation, if applicable	Remarks
Director **DIN**: 07749806	February 05, 2024	-	-	Appointment (as Independent Director)

Interest of the Directors

All the Directors of the Company, including our independent directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them.

In addition, the Directors are interested to the extent of remuneration paid to them for services rendered as officers of the Company.

All the Directors of the Company, including independent directors, may also be deemed to be interested to the extent of Equity Shares, if any, held by them or by companies, firms and trusts in which they are interested as directors, partners, members or trustees and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Except as disclosed hereinabove and the section titled "*Risk Factors*" at page 19, the Directors do not have an interest in any venture that is involved in any activities similar to those conducted by the Company.

Except as stated in the section "*Financial Information*" on page 161 and to the extent of compensation and commission if any, and their shareholding in the Company, the Directors do not have any other interest in the business of the Company.

All the Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by the Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective declarations. Except as otherwise stated in this Shelf Prospectus and statutory registers maintained by the Company in this regard, the Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Shelf Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements which are proposed to be made with them, except as disclosed in the chapter "*Our Promoters*" on page 158.

As per the loan agreements dated October 26, 2022, October 26, 2022 and October 26, 2022, the Company has advanced the following loans to its Directors. The term of each agreement is 30 months and the outstanding amount of each of the loans is as provided below:

(₹ in lakh)

Sr. No.	Name of Director	Outtsanding Amount (₹ in lakhs)	Interest Rate	Period
1.	Thomas John Muthoot	3,320.00	12.00%	Repayable by April 25, 2025
2.	Thomas George Muthoot	2,418.00	12.00%	Repayable by April 25, 2025
3.	Thomas Muthoot	5,000.00	12.00%	Repayable by April 25, 2025

Thomas John Muthoot, Thomas George Muthoot and Thomas Muthoot are our Promoters as well as Directors on the Board of the Company.

Except Thomas John Muthoot, Thomas George Muthoot and Thomas Muthoot, none of the directors are interested in the promotion of the company.

None of the directors have an interest in any immoveable property acquired by the Company in the two years preceding the date of the Shelf Prospectus or any immoveable property proposed to be acquired by it.

None of the directors have an interest in the Company in form of sums paid or agreed to be paid to the director of the Company in cash or shares or otherwise provided by any person either to induce the director to become, or to help the

Director qualify as a director, or otherwise for services rendered by the Director or by the Company, in connection with the promotion or formation of the Company.

Contribution made by the directors as part of the offer or separately

No contribution has been made by the directors as part of the offer or separately.

The directors, promoters, key managerial personnel or senior management do not have any financial or other material interest in the Issue and consequently, there is no effect of such interest in so far as it is different from the interests of other persons.

Except as disclosed below, no relatives of the Directors have been appointed to an office or place of profit of our Company:

Sr. No.	Name	Date of Joining	Designation	Branch office name	Relation
1.	Suzannah Muthoot	June 19, 2017	Deputy Vice President - II Corporate Strategy & Planning	Regional office Ernakulam	D/O Thomas Muthoot
2.	Thomas M. John	September 1, 2018	Deputy Vice President II – Strategy	Muthoot Fincorp One/Bangalore	S/O Thomas John Muthoot
3.	Hannah Muthoot	September 23, 2019	Associate Vice President II - People & Culture	Thiruvananthapuram – head office	D/O Thomas Muthoot
4.	Ritu Elizabeth George	November 5, 2019	Associate Vice President II - People & Culture	Muthoot Fincorp One /Bangalore	D/O Thomas George Muthoot
5.	Shweta Ann George	March 4, 2021	Associate Vice President II – Marketing	Regional office Ernakulam	D/O Thomas George Muthoot

Except as disclosed below, no relatives of the Directors have been appointed to an office or place of profit of subsidiaries or associate companies:
Nil

Shareholding of Directors

As per the provisions of the Memorandum of Association and Articles of Association, the Directors are not required to hold any qualification shares.

Shareholding of Directors in our Company
Details of the shares held in the Company by the Directors, as on June 30, 2024 on a fully diluted basis are provided in the table given below:

Sr. No.	Name of Director	Number of shares held	Percentage of the total paid-up capital (%)
i)	Thomas John Muthoot	5,14,56,049	26.56
ii)	Thomas George Muthoot	5,14,56,021	26.56
iii)	Thomas Muthoot	5,14,56,053	26.56
iv)	Preethi John Muthoot	1,29,13,704	6.67

Shareholding of Directors in our subsidiaries/ associate companies

The shares held by the Directors, as on June 30, 2024 are provided in the table given below. Except as mentioned below, none of the Directors have a shareholding in the Subsidiaries or Associate Companies of our Company.

Sr. No.	Name of Director	Name of the Subsidiary/Associate Company	Number of shares held	Percentage of the total paid-up capital (%)
1.	Thomas John Muthoot	Muthoot Housing Finance Company Limited	42,97,885	5.267
2.	Thomas George Muthoot	Muthoot Housing Finance Company Limited	42,97,890	5.267
3.	Thomas Muthoot	Muthoot Housing Finance Company Limited	42,97,890	5.267
4.	Preethi John Muthoot	Muthoot Housing Finance Company Limited	3,265	0.004
5.	Thomas John Muthoot	Muthoot Pappachan Technologies Limited	3,334	6.67
6.	Thomas George Muthoot	Muthoot Pappachan Technologies Limited	3,334	6.67
7.	Thomas Muthoot	Muthoot Pappachan Technologies Limited	3,333	6.67
8.	Preethi John Muthoot	Muthoot Pappachan Technologies Limited	3,333	6.67
9.	Thomas John Muthoot	Muthoot Microfin Limited	29,82,456	1.75
10.	Thomas George Muthoot	Muthoot Microfin Limited	29,81,749	1.75
11.	Thomas Muthoot	Muthoot Microfin Limited	29,93,935	1.76
12.	Preethi John Muthoot	Muthoot Microfin Limited	3,996	0.00

Debenture/ Subordinated Debt/ PDI holding of directors

As on June 30, 2024 the Company has not availed any subordinated debt from the Directors of the Company.

The Directors do not hold any subordinated debt in the Company as on date of this Shelf Prospectus.

Details of secured redeemable non-convertible debentures of the Company held by the Directors as on June 30, 2024 are as follows:

Name of Director	Number of debentures held	Amount (*₹ in lakhs*)
Thomas George Muthoot	12000	120.00

Details of PDIs of the Company held by the Directors as on June 30, 2024 are as follows:

Name of Director	Number of debentures held	Amount (*₹ in lakhs*)
Thomas George Muthoot	140	300.00
Thomas John Muthoot	145	1,350.00
Thomas Muthoot	20	100.00

Corporate Governance

Our Company believes that good corporate governance is an important constituent in enhancing stakeholder value. Our Company has in place processes and systems whereby it complies with the requirements to the corporate governance provided in SEBI Listing Regulations (to the extent applicable to a company which has listed debt securities) and the applicable RBI Guidelines. The corporate governance framework is based on an effective independent Board, separation of the supervisory role of the Board from the executive management team and constitution of the committees of the Board, as required under applicable law.

Our Company believes that its Board is constituted in compliance with the Companies Act, 2013 and the SEBI Listing

Regulations. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas.

Details of various committees of the Board of Directors

Our Company has constituted the following committees:

Committees of Board of Directors

The Board has constituted among others, the following committees of Directors: (i) Audit Committee; (ii) Nomination and Remuneration Committee; (iii) Asset Liability Management Committee; (iv) Risk Management Committee; (v) Stakeholders Relationship Committee; (vi) CSR Committee; (vii) IT Strategy Committee; and (viii) Customer Service and Protection Committee. The details of these committees are set forth below:

I. Audit Committee

The members of the Audit Committee as on date of the Shelf Prospectus are:

Name	Designation in the Committee	Nature of Directorship
A. P Kurian	Chairman	Independent Director
A. Vikraman	Member	Independent Director
Thomas George Muthoot	Member	Director
Badal Chandra Das	Member	Independent Director

The terms of reference of the Audit Committee, *inter alia*, include:

i. Oversight of the Company's financial reporting process and the disclosure of its financial statenments to ensure that the financial statement is correct, sufficient and credible;

ii. recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

iii. approval of payment to statutory auditors for any other services rendered by the statutory auditors;

iv. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

   a) matters required to be included in the director's 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 adjustments made in the financial statements arising out of audit findings;

   e) compliance with listing and other legal requirements relating to financial statements;

   f) disclosure of any related party transactions;

   g) modified opinion(s) in the draft audit report;

v. reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

vi. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilizationion of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter;

vii. reviewing and monitoring the auditor’s independence and performance, and effectiveness of audit process;

viii. approval or any subsequent modification of transactions of the Company with related parties;

ix. scrutiny of inter-corporate loans and investments;

x. valuation of undertakings or assets of the Company, wherever it is necessary;

xi. evaluation of internal financial controls and risk management systems;

xii. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

xiii. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

xiv. discussion with internal auditors of any significant findings and follow up there on;

xv. 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;

xvi. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

xvii. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

xviii. to review the functioning of the whistle blower mechanism;

xix. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

xx. Carrying out any other function as is mentioned in the terms of reference of the audit committee;

xxi. reviewing the utilization of loans and/ or advances from/investment by the Company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;

xxii. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;

xxiii. management discussion and analysis of financial condition and results of operations;

xxiv. management letters / letters of internal control weaknesses issued by the statutory auditors;

xxv. internal audit reports relating to internal control weaknesses;

xxvi. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;

xxvii. statement of deviations:

   a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Listing Regulation.

   b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Listing Regulation.

xxviii. ensure that an information system audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the Company.

II. Nomination and Remuneration Committee

The Nomination and Remuneration Committee was re-constituted on April 26, 2022, pursuant to Section 178 of the Companies Act, 2013. The members of the Nomination and Remuneration Committee as on date of the Shelf Prospectus are:

Name	Designation in the committee	Nature of Directorship
A Vikraman	Chairman	Independent Director
Thomas George Muthoot	Member	Director
A. P. Kurian	Member	Independent Director

The terms of reference of the Nomination and Remuneration Committee, *inter alia*, include:

i. Identifying and recommending to the Board of Directors, the nominees qualified to serve on the Board of Directors and committees thereof;
ii. Evaluating the candidates' ability to discharge such responsibilities/functions as expected from independent non-executive Directors;
iii. Assisting the Board of Directors in the Board's overall responsibilities relating to determination on their behalf and on behalf of the shareholders with agreed terms of reference, the Company's policy on specific remuneration packages and any compensation payment to the Managing Director, whole-time Directors and executive Directors; and
iv. To provide independent oversight of and to consult with management regarding the Company's compensation, bonus, pension, and other benefit plans, policies and practices applicable to the Company's executive management;

III. Asset Liability Management Committee

The members of the Asset Liability Management Committee as on the date of the Shelf Prospectus are:

Name	Designation in the Committee	Designation
Thomas John Muthoot	Chairman	Managing Director
Thomas Muthoot	Member	Executive Director and Chief Financial Officer
Shaji Varghese	Member	Chief Executive Officer
Joseph Oommen	Member	Head - Finance & Accounts
Maya G.K	Member	Chief Risk Officer
Nadanasabapathy R.	Member & Secretary	Head - Treasury

The terms of reference of the Asset Liability Management Committee, *inter alia*, include:

i. Balance sheet planning from a risk - return perspective including the strategic management of interest rate and liquidity risks;
ii. Identifying balance sheet management issues like balance sheet gaps and reviewing the liquidity contingency plan;
iii. Pricing of products;
iv. Reviewing the results of and progress in implementation of the decisions made in the previous meetings;
v. Articulating the current interest rate view and basing its decisions for future business strategies on this view; and
vi. Capital requirement forecasts, capital allocation and monitoring of capital adequacy requirements.

IV. Risk Management Committee

The members of the Risk Management Committee as on the date of the Shelf Prospectus are:

Name	Designation in the Committee	Nature of Directorship
A. P. Kurian	Chairman	Independent Director
Thomas John Muthoot	Member	Managing Director
Thomas Muthoot	Member	Executive Director
Badal Chandra Das	Member	Independent Director

The terms of reference of the Risk Management Committee, *inter alia*, include:

i. To formulate a detailed risk management policy which shall include:

   a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

   b) Measures for risk mitigation including systems and processes for internal control of identified risks.

   c) Business continuity plan.

ii. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

iii. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

iv. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

v. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

vi. The appointment, removal and terms of remuneration of the Chief Risk Officer shall be subject to review by the Risk Management Committee;

vii. Assisting the Board of Directors in the articulation of its risk appetite;

viii. Overseeing the implementation and maintenance of a sound system of risk management framework which identifies, assess, manages and monitors risk;

ix. Recommend to the Board of Directors clear standards of ethical behavior required of Directors and employees and encouraging observance of these standards;

x. Assessment of the Company’s risk profile and key areas of risk in particular; and

xi. Examining and determining the sufficiency of the Company’s internal processes for reporting on and managing key risk areas.

xii. To monitor and review the risk management plan; and

xiii. To perform such other functions as may be delegated by the Board of Directors which shall specifically cover cyber security.

V. Stakeholders Relationship Committee

The Stakeholders Relationship Committee was re-constituted by the Board of Directors at their meeting held on April 26, 2022. The members of the Stake Holders Relationship Committee, as on the date of the Shelf Prospectus are:

Name	Designation in the Committee	Nature of Directorship
Thomas George Muthoot	Chairman	Director
Thomas John Muthoot	Member	Managing Director

Name	Designation in the Committee	Nature of Directorship
A Vikraman	Member	Independent Director
Preethi John Muthoot	Member	Director

The terms of reference of the Stakeholders Relationship Committee, *inter alia*, include considering and resolving the grievances of the holders of securities of the Company.

VI. Corporate Social Responsibility Committee

As per the provisions of Section 135 of the Companies Act, 2013, the Company has constituted the Corporate Social Responsibility (CSR) Committee of the Board of Directors. The Corporate Social Responsibility Committee was re-constituted by the Board of Directors at their meeting held on May 22, 2023. The members of the Corporate Social Responsibility Committee as on the date of this Shelf Prospectus are:

Name	Designation in the Committee	Nature of Directorship
A. Vikraman	Chairman	Independent Director
Thomas John Muthoot	Member	Manging Director
Thomas George Muthoot	Member	Director
Thomas Muthoot	Member	Executive Director
Ravi Ramchandran	Member	Independent Director

The terms of reference of Corporate Social Responsibility Committee, *inter alia*, include:

i. formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII of Companies Act, 2013;

ii. formulate and recommend to the Board, an annual action plan in pursuance of its CSR Policy, which shall include the following, namely:-

   a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;

   b) the manner of execution of such projects or programmes as specified;

   c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;

   d) monitoring and reporting mechanism for the projects or programmes; and

   e) details of need and impact assessment, if any, for the projects undertaken by the company.

iii. monitor the Corporate Social Responsibility Policy of the company from time to time;

iv. recommend the Annual CSR budget to the board for approval; and

v. recommend the amount of expenditure to be incurred on the activities.

VII. IT Strategy Committee

The Company has constituted the IT Strategy Committee as per the Master Direction - Information Technology Framework for the NBFC Sector dated June 8, 2017. The IT Strategy Committee was re-constituted by the Board of Directors at their meeting held on February 09, 2024.

The members of the Committee are given below:

Name	Designation in the Committee	Nature of Directorship
Dr. Anthony Abraham Thomas	Chairman	Independent Director
A. Vikraman	Member	Independent Director
Thomas John Muthoot	Member	Managing Director

Name	Designation in the Committee	Nature of Directorship
Thomas George Muthoot	Member	Director

The responsibilities of the IT Strategy Committee are:

a) To ensure that the Company has put an effective IT strategic planning process in place;

b) To guide in preparation of IT strategy and ensure that the IT strategy aligns with the overall strategy of the Company towards accomplishment of its business objectives;

c) To ensure that the IT Governance and Information Security Governance structure fosters accountability, is effective and efficient, has adequate skilled resources, well defined objectives and unambiguous responsibilities for each level in the organisation;

d) To ensure that the Company has put in place processes for assessing and managing IT and cybersecurity risks;

e) To ensure that the budgetary allocations for the IT function (including for IT security), cyber security are commensurate with the Company's IT maturity, digital depth, threat environment and industry standards and are utilised in a manner intended for meeting the stated objectives;

f) To review, at least on annual basis, the adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management of the Company;

g) To assess the IT capacity requirements and review the measures taken to address the issues;

h) To review the IT and cyber security related risks in the risk management policy of the Company in consultation with the Risk Management Committee of the Board (RMCB) at least on a yearly basis;

i) To constitute/reconstitute the IT Steering Committee and Information Security Committee;

j) To oversee the activities of IT Steering Committee and Information Security Committee;

k) To review and recommend the policies related to IT to the Board for approval;

l) To carry out the review and amendment of IT strategies in line with the corporate strategies, cyber security arrangements and other matters related IT Governance; and

m) To perform such other functions as may be delegated by the Board from time to time.

VIII. Customer Service & Protection Committee

The Company has Constituted the Customer Service & Protection Committee pursuant to the Master Direction - Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023 dated December 29, 2023

The members of the Committee are given below:

Name of the Member	Designation in the CSPC	Nature of Directorship
Mr. Ravi Ramchandran	Chairman	Independent Director
Dr. Anthony Abraham Thomas	Member	Independent Director
Mr. Thomas John Muthoot	Member	Director

The responsibilities of the Customer Service & Protection Committee are:

(i) To develop and review customer service policies and procedures to align with regulatory guidelines and best practices;

(ii) To monitor and analyze customer feedback, complaints, and suggestions to identify trends and areas for improvement;

(iii) To ensure timely resolution of customer grievances and escalate unresolved issues to the appropriate authorities;

(iv) To conduct regular reviews of key performance indicators related to customer service and report findings to the board of directors;

(v) To oversee and implement measures to safeguard the interests of customers and maintain high service standards;

(vi) To provide guidance in improving the level of customer service;

(vii) To consider and approve the appointment of Internal Ombudsman/Deputy Internal Ombudsman and determine the tenure, structure of emoluments, facilities, and benefits of Ombudsman keeping in view of the stature and position of the Internal Ombudsman/ Deputy Internal Ombudsman being at the apex of the grievance redressal mechanism of the Company;

(viii) To review the periodic reports of the Internal Ombudsman preferably at quarterly intervals including the analysis of complaints;

(ix) To put in place a system for discussion of cases, in which the decision of the Internal Ombudsman has been rejected by the Company; and

(x) To perform such other functions as may be delegated by the Board from time to time.

Key managerial personnel of our Company

Our operations are overseen by a professional management team. In addition to the Managing Director and Chief Financial Officer as set forth above, following are the key managerial personnel:

Mr. Sachu Sivas

Mr. Sachu Sivas is the Company Secretary of our Company. He is an Associate Member of the Institute of Company Secretaries of India (ICSI). He also served at the Muthoot Forex Limited and KIMS Health Care Management Ltd.

Name of the Employee	Designation
Sachu Sivas	Company Secretary

Compensation of our Company's key managerial personnel

In addition to the remuneration payable to the Managing Director & Chief Financial Officer, our Company paid a total remuneration of ₹ 4.87 lakhs to its employees who were key managerial personnel during the current fiscal year (upto June 30, 2024).

Bonus or profit-sharing plan of the key managerial personnel

Nil

Interest of key managerial personnel

None of our key managerial personnel has been paid any consideration of any nature from our Company, other than their remuneration.

Except as stated in "*Our Management - Debenture/ Subordinated Debt/ PDI holding of directors*" none of our key managerial personnel receive interest/redemption paid or payable in respect of debentures of the Company held by them.

Except for the letter of appointment issued to our Key Managerial Personnel as an employee of the Company, our Company has not entered into any contracts or arrangement with the Key Managerial Personnel relating to appointment and remuneration or providing for benefits upon termination of employment.

Payment or benefit to officers of our Company

Nil

Shareholding of our Company's key managerial personnel

Key Managerial Personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Company and its employees. Their shareholding as on June 30, 2024 is as follows:

Sr. No.	Particulars	Designation	No. of shares held	Total shareholding as % of total no. of Equity Shares
1.	Thomas John Muthoot	Managing Director	5,14,56,049	26.56
2.	Thomas Muthoot	Executive Director cum Chief Financial Officer	5,14,56,053	26.56

Related Party Transactions

For details in relation to the related party transactions entered by our Company during the last three financial years, as per the requirements under "*Accounting Standard 18 – Related Party Transactions*" specified under the Companies Act, refer to the chapter "*Financial Statements*" beginning on page 161.

Senior Management Personnel of our Company

In addition to Mr. Sachu Sivas, who is designated as Compliance Officer of our Company and Mr. Thomas Muthoot, who is designated as the Chief Financial Officer of our Company, whose details are provided in "*Key Managerial Personnel*" on page 155, the details of the Senior Management Personnel, as on the date of this Shelf Prospectus, are set out below:

Brief profile of our Senior Management Personnel

1. ***Mr. Shaji Varghese,*** *is the Chief Executive Officer of the Company. He holds a* Bachelor's Degree in Law, University of Pune and a Master's Degree in Management Science (Specializing in Finance and Marketing), from University of Pune. He has completed a Management Development Program on Strategic Management, Harvard University. Mr. Shaji has significant experience in banking and financial services sector.

2. ***Mr.Suresh Kumar Sivaraj***, is the Chief Human Resources Officer of the Company. He has significant experience of working with notable institutions like PT Indorama Synthetics. He is a member of National HRD Network and National Institute of Personal Management.

3. ***Mr. Joseph Oommen,*** is the Head of Accounts and Finance of the Company. He is a Chartered Accountant with 25 years of experience. Prior to joining the Company, he has worked with Southern Franchise Company LLC , Abudhabi, UAE.

4. ***Mr. Ajay Kanal,*** is the head of Operations and Change Management of the Company. He has significant experience. Prior to joining the Company he has worked with Indostar Capital Finance.

Compensation of our Company's Key Managerial Personnel and Senior Management Personnel

(₹ in lakhs)

Sr. No.	Particulars	Designation	For the period ended July 31, 2024	For Fiscal 2024	For Fiscal 2023	For Fiscal 2022
1	Mr. Shaji Varghese,	Chief Executive Officer	124.41	199.71	294.80	0.00
2	Mr.Suresh Kumar Sivaraj	Chief Human Resources Officer	55.07	113.65	97.86	43.81
3	Mr. Joseph Oommen	Head - Finance & Accounts	61.62	124.63	115.35	88.86
4	Mr. Ajay Kanal	Head-Operations & Change Management	33.84	67.64	58.98	49.15
5	Mr. Sachu Sivas	Company Secretary	6.06	12.53	10.04	0.00

6	Mr. Thomas Muthoot	Executive Director & Chief Financial Officer	1,666.67	3,750.00	3000.00	2500.00

Interest of Senior Management Personnel

Except as stated below, none of our Senior Management Personnel has been paid any consideration of any nature from our Company:

- Remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Except as stated below, Senior Management Personnel are not interested in the Company**:**

- To the extent of the shareholding in the Company, if any held by them or their relatives or held by the companies, firms and trusts in which they are interested as director, member, partner, and/or trustee, and to the extent of benefits arising out of such shareholding and/ or the stock options granted to some of our key managerial personnel.
- To the extent of debentures of our Company held by them or to be subscribed by them in this Issue and to the extent of any interest/redemption proceeds paid/payable to him and other distributions in respect of the said debentures.

Except for the letter of appointment issued to our Senior Management Personnel as an employee of the Company**,** our Company has not entered into any contracts or arrangement with the Senior Management Personnel relating to appointment and remuneration or providing for benefits upon termination of employment.

Relationship with other Senior Management Personnel

None of our Senior Management Personnel are related to each other.

Shareholding of our Company's Key Managerial Personnel and Senior Management Personnel

As on the date of this Shelf Prospectus, the details of the shareholding of the KMP and SMP of the Company have been set out below***:***

Sr. No.	Particulars	Designation	No. of shares held	Total shareholding as % of total no. of Equity Shares
1	Mr. Shaji Varghese	Chief Executive Officer	-	-
2	Mr.Suresh Kumar Sivaraj,	Chief Human Resources Officer	-	-
3	Mr. Joseph Oommen,	Head - Finance & Accounts	-	-
4	Mr. Ajay Kanal,	Head - Operations & Change Management	-	-
5	Mr. Sachu Sivas,	Company Secretary	-	-
6	Mr. Thomas Muthoot,	Executive Director & Chief Financial Officer	5,14,56,053	26.56

OUR PROMOTERS

Profile of our Promoters

The following individuals are the Promoters of our Company:

Thomas John Muthoot

PAN: ABNPT4694B
Date of Birth: June 7, 1962

Thomas Muthoot

PAN: AEAPM0424L
Date of Birth: July 15, 1966

Thomas George Muthoot

PAN: ABNPT4693G
Date of Birth: June 7, 1962

For additional details on the age, background, personal address, educational qualifications, experience in the business of the Company, positions/posts held in the past, terms of appointment as Directors and other directorships of the Promoters, special achievements, please see "*Our Management*" on page 139.

Our Company confirms that the PAN, aadhaar number, driving license number, bank account number(s) and passport number of the Promoters has been submitted to the BSE at the time of filing the Draft Shelf Prospectus.

Interest of Promoters in the Company

Except as disclosed below, other than as Director and shareholders of our Company, the Promoters do not have any other interest in the Company. Further, the Promoters have given certain personal guarantees in relation to loan facilities utilised by the Company. For details please see "*Financial Indebtedness*" at page 164.

The Promoters are eligible for dividend that may be declared by the Company and to the extent of the remuneration received by them in their capacity as Directors. Additionally, Mr. Thomas George Muthoot are eligible to receive commission, as disclosed in "*Our Management*" on page 139.

Certain branches of the Company are operated on properties owned by the Promoters. Details are as below:

Sr. No.	Type of Property	Nature of interest*
1.	Kayamkulam branch in Kerala	The Company has been operating the branch since July 15, 2008. The current Lease Agreement was executed between the Company and Thomas John Muthoot on March 30, 2012.
2.	Pathanamthitta branch in Kerala	The Company has been operating the branch since April 02, 2011. The current Lease Agreement was executed between Company and Thomas George Muthoot acting for himself, for other Promoters i.e. Thomas Muthoot and Thomas John Muthoot, and for Janamma Muthoot and Mathew M Thomas on March 30, 2012
3.	Ernakulam branch in Kerala	The Company has been operating the branch since April 02, 2011. The current Lease Agreement was executed between Company and Thomas George Muthoot acting for himself, other Promoters i.e. Thomas Muthoot and Thomas John Muthoot, and for Janamma Muthoot and Mathew M Thomas on March 30, 2012.
4.	Chetpet Branch in	The current Lease Agreement was executed between Company and Thomas George

Sr. No.	Type of Property	Nature of interest*
	Tamilnadu	Muthoot March 30, 2012.
5.	Aryasala Branch in Kerala	The current Lease Agreement was executed between Company and Thomas George Muthoot, Thomas Muthoot and Thomas John Muthoot, March 30, 2012.
6.	Kozhencherry Branch in Kerala	The current Lease Agreement was executed between Company and Janamma Thomas, March 30, 2012.

Further, no properties owned by the Promoters have been purchased by the Company in the last 2 (two) years.

Our Promoters do not have any interest in any property acquired by our Company within two years preceding the date of filing of this Shelf Prospectus or any property proposed to be acquired by our Company or in any transaction with respect to the acquisition of land, construction of building or supply of machinery.

Agreements entered into by our Company with Promoter Group entities:

Except as disclosed under section "*Material Agreements – History and Other Corporate Matters*" on page 130, our Company has not entered into any agreements with Promoter Group as on date of this Shelf Prospectus.

Our Promoters do not propose to subscribe to the Issue. For details of the shareholding of the Promoters in our Company, please see "*Capital Structure*" on page 52.

Our Promoters have no financial or other material interest in the Issue and no benefit / interest will accrue to our Promoters or Promoter Group out of the objects of the Issue.

Other understandings and confirmations

Our Promoters and relatives of the Promoters have confirmed that they have not been identified as willful defaulters by the RBI or any other governmental authority.

No violations of securities laws have been committed by our Promoters in the past or are currently pending against them. None of our Promoters are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

Our Promoters was not a promoter, director or person in control of any company which was delisted within a period of ten years preceding the date of this Shelf Prospectus, in accordance with Chapter V of the SEBI Delisting Regulations.

Our Promoters and Promoter Group are not restrained or debarred or prohibited from accessing the capital markets or restrained or debarred or prohibited from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any Stock Exchanges in India or abroad and are not promoters, directors or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

No benefit or interest will accrue to our Promoters out of the objects of the Issue.

Common pursuits of our Promoters

Our Promoters are engaged in businesses similar to ours.

RELATED PARTY TRANSACTIONS

For details of the related party transactions for the Fiscal 2024, Fiscal 2023 and Fiscal 2022 in accordance with the requirements under Ind AS 24 "Related Party Disclosures" notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, see "*Financial Information*" on page 161.

Related party transactions entered during the preceding three financial years with regard to loans made or, guarantees given or securities provided:

(₹ in lakhs)

Nature of transactions	Name of related parties	For the year ended March 31,		
		2024	**2023**	**2022**
Transactions with related parties:				
Loan repaid	Thomas John Muthoot	-	(7,000.00)	-
	Thomas George Muthoot	-	(7,000.00)	-
	Thomas Muthoot	-	(5,900.00)	-
	Muthoot Motors, Cochin	-	(290.00)	-
Loan advanced	Thomas John Muthoot	-	5,000.00	-
	Thomas George Muthoot	-	5,000.00	-
	Thomas Muthoot	-	5,000.00	-
Guarantee given	Muthoot Microfin Limited	50.00	-	-
	Muthoot Housing Finance Company Limited	50.00	-	-
	Muthoot Capital Services Limited	50.00	-	-
Balances with related party:				
Loan outstanding	Thomas John Muthoot	5,000.00	5,000.00	7,000.00
	Thomas George Muthoot	5,000.00	5,000.00	7,000.00
	Thomas Muthoot	5,000.00	5,000.00	5,900.00
	Muthoot Motors, Cochin	-	-	290.00
Guarantee given	Muthoot Microfin Limited	50.00	-	-
	Muthoot Housing Finance Company Limited	50.00	-	-
	Muthoot Capital Services Limited	50.00	-	-

Related party transactions entered during the current financial year for the period starting April 1, 2024 till the cut-off date, i.e. August 20, 2024 with regard to loans made or, guarantees given or securities provided

(₹ in lakhs)

Nature of transactions	Name of related parties	For the period April 1, 2024 till August 20, 2024*
Transactions with related parties:		
Loan repaid	Thomas John Muthoot	1,680.00
	Thomas George Muthoot	2,582.00
Balances with related party:		
Loan outstanding	Thomas John Muthoot	3,320.00
	Thomas George Muthoot	2,418.00
	Thomas Muthoot	5,000.00
Guarantee given	Muthoot Microfin Limited	50.00
	Muthoot Housing Finance Company Limited	50.00
	Muthoot Capital Services Limited	50.00

**These details are not based on any audited numbers.*

SECTION V-FINANCIAL INFORMATION

FINANCIAL STATEMENTS

MATERIAL DEVELOPMENTS

Other than as disclosed elsewhere in the Shelf Prospectus and Tranche I Prospectus and hereinafter below, since April 1, 2024 till August 20, 2024, there have been no event/ development or change having implications on the financials/credit quality (e.g., any material regulatory proceedings against the Company/ Promoter/ Directors, litigations resulting in material liabilities, corporate restructuring event etc.) at the time of the Issue which may affect the Issue or the investor's decision to invest / continue to invest in the Debentures.

1. The Company has made the following availments of bank borrowings during the period beginning from July 1, 2024 till August 20, 2024:

(₹ in lakhs)

Disbursement / Sanction Date	Name of the lender	Amount sanctioned	Amount availed	Remarks
August 19, 2024	Indian Overseas Bank	20,000.00	20,000.00	New Term Loan Disbursed

2. The Company had an existing limit of ₹ 55,000 lakhs towards CC/WCDL from the Indian Bank. By way of the sanction dated August 7, 2024, the said limit has been segregated as ₹ 15,000 lakhs towards CC/WCDL and ₹ 40,000 lakhs towards Term Loan.
3. The Company has made the following repayment of non-convertible debentures during the period beginning from July 01, 2024 till August 20, 2024:

(₹ in lakhs)

ISIN Number	Nature	Amount	Allotment Date	Maturity Date
INE549K07AI7	Secured NCD	2,483.42	May 05, 2021	July 06, 2024
INE549K07AN7	Secured NCD	1,847.53	May 05, 2021	July 06, 2024

4. The Company has made the following Issuance of Commercial Paper during the period July 01, 2024 till August 20, 2024:

(₹ in lakhs)

ISIN Number	Investor	Amount	Maturity Date
INE549K14BP6	VASAI VIKAS SAHAKARI BANK LIMITED	1,000.00	January 15, 2025
INE549K14BQ4	Kotak Mahindra Trustee Company Ltd	2,0000.00	June 13, 2025
INE549K14BR2	Sundaram finance Limited	12,500.00	August 18, 2025

5. The Company has made the following repayment of retail subordinated debt during the period beginning from July 1 till August 20, 2024:

(₹ in lakhs)

Sub-Debt Series	Nature	Investors	Amount
1	Unsecured	1,096	3,328.41

6. The Company has issued rated, listed, unsecured, redeemable, subordinated debt instruments of face value ₹1,00,000 each for an amount aggregating to ₹5,000 lakh on July 01, 2024.

7. The Company has allotted 7,902 (Seven Thousand Nine Hundred and Two Only) equity shares of face value of Rs. 10 each, fully paid up at an offer price of Rs.100/- (including a premium of Rs. 90/- per share) in accordance with the terms of Employee Stock Option Plan - 2018 to the Muthoot Fincorp Employee Welfare Trust as per details provided below:

Sr. No.	DP ID	Client ID	Name of the Allottee	No. of shares	Distinctive Numbers	Offer Price	Amount (Rs. in lakhs)

1.	IN304295	53643658	Muthoot Fincorp Employee Welfare Trust	7,902	19,37,05,561 - 19,37,13,462	100	7.90
			Total	**7,902**		**100**	**7.90**

8. The Company has invested a sum of Rs.2,500.00 lakh towards 3,787,875 equity shares of Muthoot Housing Finance Company Limited on June 14, 2024.

9. Pursuant to Regulation 50(1) of the SEBI Listing Regulations, a meeting of the Board of Directors of the Company was held on Tuesday, August 13, 2024, inter-alia, approving the unaudited financial results of the Company for the quarter ended June 30, 2024.

FINANCIAL INDEBTEDNESS

The outstanding borrowings of our Company as on June 30, 2024, are as follows:

(₹ in lakhs)

Sr. No.	Nature of Borrowings	Amount Outstanding	%
1	Secured Borrowings	18,86,230.63	89.49%
2	Unsecured Borrowings	2,21,628.88	10.51%
Total Borrowings		**21,07,859.51**	**100.00%**

DETAILS OF BORROWINGS OF THE COMPANY, AS ON THE LATEST QUARTER ENDED, i.e., June 30, 2024:

(a) **Details of Secured Borrowings**

Our Company's secured borrowings, amounts to ₹18,86,230.63 lakhs as on June 30, 2024 on an unconsolidated basis. The details of the borrowings are set out below:

1. **Term Loans from Banks:**

(₹ in lakhs)

Sr. No.	Lender's Name	Amount Sanctioned	Principal Amount outstanding as On June 30, 2024	Repayment schedule and pre-payment penalty, if any	Asset Classification	Credit Rating	Security
1	Yes Bank	30,000.00	2,129.84	Repayment in 28 quarters from the date of disbursement including 2 quarters of moratorium.	Standard	CRISIL AA-/Stable	Equitable mortgage of collateral property as acceptable to YES Bank with minimum 1.25 cover.
2	Nabkisan Finance Limited	9,000.00	8,181.25	Tenor of 3 years with initial moratorium of 3 months, repayable in 11 equal quarterly instalments	Standard	CRISIL AA-/Stable	Demand promissory note and hypothecation of first and exclusive charge on identified MSME loan receivables of 110% standard book debts.
3	Bajaj Finance Limited	7,500.00	6,000.00	Tenor of 2.5 years from the date of first drawdown, repayable	Standard	CRISIL AA-/Stable	First ranking pari-passu charge, by way of hypothecation on the

				in 30 equal monthly instalments.			receivables, present and future of the Company except those receivables specifically and exclusively charged in favor of certain existing charge-holders by way of hypothecation with minimum asset cover maintained at 1.20 times of the principal amount and interest.
4	Bank of Maharashtra	25,000.00	25,195.20	Repayable in 57 monthly instalments	Standard	CRISIL AA-/Stable	Exclusive charge Hypothecation charge on standard receivables with minimum security coverage of 1.25 times of the exposure at all times
5	IDBI Bank	10,000.00	10,000.00	7 years - Repayable in 25 quarterly instalments	Standard	CRISIL AA-/Stable	Exclusive charge Hypothecation charge on standard receivables with minimum security coverage of 1.25 times of the exposure at all times
	TOTAL	**81,500.00**	**51,506.29**				

Penalty: The loan documentation executed with respect to the term loans mentioned above set out penalty provisions for compliance with the provisions of the loan documents. Such provisions include, but are not limited to:

(a) Any interest/ principle being over-due will attract penal interest of 2% (two per cent) p.m. (per month) over and above the regular interest rate on the amount due for the period of delay.

(b) Additional interest payable as per the terms and conditions of the respective sanction letters in the event of any breach of any financial covenants or failure to create security within the period stipulated under the financing documents.

Events of Default: The facility documents executed by the Company stipulates certain events as "*Events of Default*", pursuant to which the Company may be required to immediately repay the entire loan facility availed by it and be subject to additional penalties by the relevant lenders. Such events include, but are not limited to:

(a) Non-payment

The Company does not pay on the due date any amount payable pursuant to a finance document at the place at and in the currency in which it is expressed to be payable.

(b) Financial covenants and Security

Any requirement of financial covenants and security coverage ratios is not satisfied or the Company does not comply with any provision of the security documents or any other finance document dealing with transaction security.

(c) Misrepresentation

Any representation or statement made or deemed to be made by the Company in the finance documents or any other document delivered by or on behalf of the Company under or in connection with any finance document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made.

(d) Cross default

a. Any financial indebtedness of the Company is not paid when due nor within any originally applicable grace period.

b. Any financial indebtedness of the Company is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).

c. Any commitment for any financial indebtedness of the Company is cancelled or suspended by a creditor of any member of the Group as a result of an event of default (however described).

d. Any creditor of the Company becomes entitled to declare any financial indebtedness of any member of the Group due and payable prior to its specified maturity as a result of an event of default (however described).

(e) Insolvency

a. The Company or any of its Subsidiaries is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness.

b. A moratorium is declared in respect of any indebtedness of the Company or any of its Subsidiaries.

(f) Insolvency proceedings

Any corporate action, legal proceedings or other procedure or step is taken in relation to:

a. the suspension of payments, a moratorium of any indebtedness, initiation of corporate insolvency resolution process, winding-up. dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Company or any of its Subsidiaries;

b. a composition, compromise, assignment or arrangement with any creditor of the Company or any of its Subsidiaries;

c. the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Company or any of its Subsidiaries or any of its assets; or

d. enforcement of any Security over any assets of any member of the Group, or any analogous procedure or step is taken in any jurisdiction.

(g) Unlawfulness

It is or becomes unlawful for the Company to perform any of its obligations under the finance documents and/or any obligation or obligations of the Company under any finance document are not or cease to be valid, binding and enforceable.

(h) Repudiation

The Company repudiates a finance document or evidences an intention to repudiate a finance document.

(i) Material adverse effect

Any event or circumstance occurs which the Lender reasonably believes might have a material adverse effect (as defined in the respective agreements).

(j) Enforceability of Security

Any security document is not or ceases to be legal, valid, binding enforceable or effective or is alleged by a party to it (other than the Lender) to be ineffective or the value of the transaction security has been or is threatened to be decreased.

2. **Working Capital Term Loans from Banks:**

(₹ in lakhs)

Sr. No.	Lender's Name	Amount Sanctioned	Principal Amount outstanding as on June 30, 2024	Repayment schedule and pre-payment penalty, if any	Security	Credit Rating (if applicable)	Asset Classification
1.	UCO Bank	12,500.00	2,302.42	Tenor of 4 years with initial moratorium of 3 months, repayable in 16 equal quarterly instalments.	Pari-passu charge on gold & other loan receivables of the company with minimum asset cover maintained at 1.10 times.	CRISIL AA-/Stable	Standard
2.	Canara Bank	30,000.00	2,996.88	Tenor of 3years with initial moratorium of 6 months, repayable in 10 equal	Pari passu charge on gold & other loan receivables of the company with minimum	CRISIL AA-/Stable	Standard

Sr. No.	Lender's Name	Amount Sanctioned	Principal Amount outstanding as on June 30, 2024	Repayment schedule and pre-payment penalty, if any	Security	Credit Rating (if applicable)	Asset Classification
				quarterly instalments.	asset cover maintained at 1.25 times.		
3.	Central Bank of India	30,000.00	2,802.33	Tenor of 3 years with initial moratorium of 6 months, repayable in 10 equal quarterly installments.	First charge on pari passu basis on gold loan receivables of the company with minimum security coverage margin of 25% the loan amount.	CRISIL AA-/Stable	Standard
4.	Punjab and Sind Bank	15,000.00	1,343.41	Tenor of 3 years with initial moratorium of 6 months, repayable in 10 equal quarterly installments.	First charge on pari-passu basis on standard receivables by way of hypothecation with minimum security cover 1.11 times	CRISIL AA-/Stable	Standard
5.	UCO Bank	15,000.00	4,678.80	Tenor of 4 years with initial moratorium of 3 months, repayable in 16 equal quarterly instalments.	Pari-passu charge on gold & other loan receivables of the company with minimum asset cover maintained at 1.10 times.	CRISIL AA-/Stable	Standard
6.	State Bank of India	32,500.00	6,500.00	Tenor of 36 months with initial moratorium of 6 months, repayable in 10 equal quarterly instalments.	First charge on pari-passu basis on entire current assets of the company including gold loan receivables with all banks (gold loan receivables of 1.15 times of the limit)	CRISIL AA-/Stable	Standard
7.	Indian bank	20,000.00	9,417.86	Tenor of 48 months with initial moratorium of 3 months, repayable in 15 equal quarterly instalments.	Pari passu charge on gold & other loan receivables of the company with minimum asset cover	CRISIL AA-/Stable	Standard

Sr. No.	Lender's Name	Amount Sanctioned	Principal Amount outstanding as on June 30, 2024	Repayment schedule and pre-payment penalty, if any	Security	Credit Rating (if applicable)	Asset Classification
					maintained at 1.18 times		
8.	Punjab National Bank	50,000.00	13,261.28	Tenor of 36 months Repayable in 3 equal quarterly instalments after the moratorium of 11 months	First paripassu hypothecation charge on standard receivables and on entire chargeable current assets with Minimum coverage of 1.18 times	CRISIL AA-/Stable	Standard
9.	Punjab and Sind Bank	16,000.00	3,999.98	Tenor of 3 years with initial moratorium of 6 months, repayable in 10 equal quarterly installments.	First charge on pari-passu basis on standard receivables by way of hypothecation with minimum security cover 1.11 times	CRISIL AA-	Standard
10.	UCO Bank	20,000.00	8,743.74	Tenor of 4 years with initial moratorium of 3 months, repayable in 16 equal quarterly instalments.	Pari-passu charge on gold & other loan receivables of the company with minimum asset cover maintained at 1.10 times.	CRISIL AA-/Stable	Standard
11.	Canara Bank	20,000.00	7,270.06	Tenor of 3years with initial moratorium of 3 months, repayable in 11 equal quarterly instalments.	Pari passu charge on gold & other loan receivables of the company with minimum asset cover maintained at 1.25 times.	CRISIL AA-/Stable	Standard
12.	Central Bank of India	30,000.00	5,910.06	Tenor of 2.5 years with initial moratorium of 3 months, repayable in 10 equal quarterly installments.	First charge on pari passu basis on gold loan receivables of the company with minimum security coverage margin of 20% the loan amount.	CRISIL AA-/Stable	Standard

Sr. No.	Lender's Name	Amount Sanctioned	Principal Amount outstanding as on June 30, 2024	Repayment schedule and pre-payment penalty, if any	Security	Credit Rating (if applicable)	Asset Classification
13.	Federal Bank	10,000.00	4,998.88	Tenor of 3years with initial moratorium of 6 months, repayable in 10 equal quarterly instalments.	First pari passu charge on entire current assets including gold loan receivables of the company with minimum security coverage margin of 15% the loan amount.	CRISILAA-/Stable	Standard
14.	Indian Bank	30,000.00	17,415.62	Tenor of 3years with initial moratorium of 3 months, repayable in 11 equal quarterly instalments.	First pari passu charge on gold loan receivables of the company with minimum security coverage margin of 1.18 times of loan amount outstanding (Margin.15%)	CRISIL AA-/Stable	Standard
15.	Punjab and Sind Bank	10,000.00	4,799.96	Tenor of 2 years and 9 months with initial moratorium of 3 months, repayable in 10 equal quarterly installments.	First charge on pari-passu basis on standard receivables by way of hypothecation with minimum security cover of 10% margin (1.11 times).	CRISIL AA-/Stable	Standard
16.	UCO Bank	20,000.00	11,241.96	Tenor of 4 years with no moratorium repayable in 16 equal quarterly instalments.	Pari-passu charge on gold & other loan receivables of the company with minimum asset cover maintained at 1.10 times.	CRISIL AA-/Stable	Standard
17.	Bandhan Bank	25,000.00	15,336.26	Tenor of 3years with initial moratorium of 3 months, repayable in 11 equal quarterly instalments.	Pari-passu charge over the receivables of the company with minimum asset cover maintained at 1.10 times	CRISIL AA-/Stable	Standard

Sr. No.	Lender's Name	Amount Sanctioned	Principal Amount outstanding as on June 30, 2024	Repayment schedule and pre-payment penalty, if any	Security	Credit Rating (if applicable)	Asset Classification
18.	Bank of Maharashtra	25,000.00	15,118.22	Repayable in 10 equal quarterly instalments	First Pari-passu Hypothecation charge on standard loan receivables with minimum security coverage of 1.25 times of the exposure at all times	CRISIL AA-/Stable	Standard
19.	State Bank of India	50,000.00	41,665.00	Tenor of 60 months with initial moratorium of 8 months, repayable in 18 equal quarterly instalments.	First charge on pari-passu basis on entire current assets of the company including gold loan receivables with all banks (gold loan receivables of 1.15 times of the limit)	CRISIL AA-/Stable	Standard
20.	Canara Bank	30,000.00	20,625.00	Tenor of 4years, repayable in 16 structured quarterly instalments.	Pari passu charge on gold & other loan receivables of the company with minimum asset cover maintained at 1.25 times.	CRISIL AA-/Stable	Standard
21.	Central Bank of India	15,000.00	11,215.43	Tenor of 4 years with initial moratorium of 3 months, repayable in 16 equal quarterly installments.	First charge on pari passu basis on gold loan receivables of the company with minimum security coverage margin of 20% the loan amount.	CRISIL AA-/Stable	Standard
22.	Axis Bank	17,000	7,285.71	Tenor of 24 months with initial moratorium of 3 months, repayable in 7 equal quarterly instalments.	Pari passu charge on gold & other loan receivables of the company with minimum asset cover maintained at 1.25 times.	CRISIL AA-/Stable	Standard

Sr. No.	Lender's Name	Amount Sanctioned	Principal Amount outstanding as on June 30, 2024	Repayment schedule and pre-payment penalty, if any	Security	Credit Rating (if applicable)	Asset Classification
23.	Punjab National Bank	30,000.00	19,086.88	Tenor of 2 years 9 months repayable in 11 equal quarterly instalments	First paripassu hypothecation charge on standard receivables and on entire chargeable current assets with Minimum coverage of 1.18 times|	CRISIL AA-/Stable	Standard
24.	Canara Bank	25,000.00	18,752.00	Tenor of 4years, repayable in 16 structured quarterly instalments.	Pari passu charge on gold & other loan receivables of the company with minimum asset cover maintained at 1.25 times.	CRISIL AA-/Stable	Standard
25.	Bank of Maharashtra	50,000.00	41,218.84	Repayable in 33 monthly instalments	First Pari-passu Hypothecation charge on standard loan receivables with minimum security coverage of 1.25 times of the exposure at all times	CRISIL AA-/Stable	Standard
26.	Bank of India	50,000.00	45,204.97	Repayable in19 quarterly instalments	First Pari-passu floating charge on current assets,book debts loans and advancesand receivables including gold loan receivableswith minimum security coverage of 1.18 times of the exposure at all times	CRISIL AA-/Stable	Standard
27.	Federal Bank	10,000.00	9,284.72	Tenor of 48 months with initial moratorium of 6 months, repayable	First pari passu charge on entire current assets including gold	CRISIL AA-/Stable	Standard

Sr. No.	Lender's Name	Amount Sanctioned	Principal Amount outstanding as on June 30, 2024	Repayment schedule and pre-payment penalty, if any	Security	Credit Rating (if applicable)	Asset Classification
				in 14 equal quarterly instalments.	loan receivables of the company with minimum security coverage margin of 15% the loan amount.		
28.	UCO Bank	30,000.00	24,366.76	Tenor of 4 years with no moratorium repayable in 16 equal quarterly instalments.	Pari-passu charge on gold & other loan receivables of the company with minimum asset cover maintained at 1.10 times.	CRISIL AA- /Stable	Standard
29.	State Bank of India	60,000.00	59,999.04	Tenor of 60 months with initial moratorium of 6 months, repayable in 18 equal quarterly instalments.	First charge on pari-passu basis on current assets of the company including receivables along with other lenders (gold loan receivables of 1.15 times of the limit to be allocated)	CRISIL AA- /Stable	Standard
30.	Canara Bank	35,000.00	30,624.00	Tenor of 4 years, repayable in 16 structured quarterly instalments.	Pari passu charge on gold & other loan receivables of the company with minimum asset cover maintained at 1.25 times.	CRISIL AA- /Stable	Standard
31.	Axis Bank	50,000	42,114.28	Tenor of 24 months including moratorium of 6 months, repayable in 7 equal quarterly instalments.	Pari passu charge on gold & other loan receivables of the company with minimum asset cover maintained at 1.25 times.	CRISIL AA- /Stable	Standard
32.	Bandhan Bank	15,000.00	15,107.87	Tenor of 3 years with initial moratorium of 3 months, repayable in 11 equal	Pari-passu charge over the standard receivables of the company with minimum asset	CRISIL AA- /Stable	Standard

Sr. No.	Lender's Name	Amount Sanctioned	Principal Amount outstanding as on June 30, 2024	Repayment schedule and pre-payment penalty, if any	Security	Credit Rating (if applicable)	Asset Classification
				quarterly instalments.	cover maintained at 1.10 times		
33.	Punjab National Bank	40,000.00	36,352.72	Tenor of 2 years 9 months repayable in 11 equal quarterly instalments	First paripassu hypothecation charge on standard receivables and on entire chargeable current assets with Minimum coverage of 1.18 times|	CRISIL AA-/Stable	Standard
34.	Federal Bank	10,000.00	9,999.96	Tenor of 48 months with initial moratorium of 6 months, repayable in 14 equal quarterly instalments.	First pari passu charge on entire current assets including gold loan receivables of the company with minimum security coverage margin of 15% the loan amount.	CRISIL AA-/Stable	Standard
35.	Bank of Maharashtra	50,000.00	50,077.59	Repayable in 33 monthly instalments	First Pari-passu Hypothecation charge on standard loan receivables with minimum security coverage of 1.25 times of the exposure at all times	CRISIL AA-/Stable	Standard
36.	Indian Overseas Bank	20,000.00	20,000	Repayable within 5 years with 3 months moratorium in 19 equal quarterly instalments	First Pari-passu Hypothecation charge on gold loan receivables and current assets of the company with minimum security coverage of 1.25 times of the exposure at all times	CRISIL AA-/Stable	Standard

Sr. No.	Lender's Name	Amount Sanctioned	Principal Amount outstanding as on June 30, 2024	Repayment schedule and pre-payment penalty, if any	Security	Credit Rating (if applicable)	Asset Classification
37.	Indian Overseas Bank	10,000.00	10,000	Repayable within 5 years with 3 months moratorium in 19 equal quarterly instalments	First Pari-passu Hypothecation charge on gold loan receivables and current assets of the company with minimum security coverage of 1.25 times of the exposure at all times	CRISIL AA-/Stable	Standard
38.	UCO Bank	20,000.00	19,999.96	Tenor of 4 years with no moratorium, repayable in 16 equal quarterly instalments.	Pari-passu charge on gold & other loan receivables of the company with minimum asset cover maintained at 1.11 times.	CRISIL AA-/Stable	Standard
39.	Ujjivan Small Finance Bank	10,000.00	10,000.00	Tenor of 2 years – 8 equal quarterly instalment	First charge on pari-passu.and continuing charge on the loan receivable with minimum security cover of 1.10 times of the value of the outstanding amounts of the facility	CRISIL AA-/Stable	Standard
40.	Canara Bank	50,000.00	49,999.78	Tenor of 4 years, repayable in 16 structured quarterly instalments.	Pari passu charge on gold & other loan receivables of the company with minimum asset cover maintained at 1.25 times.	CRISIL AA-/Stable	Standard
	TOTAL	**10,88,000.00**	**7,31,118.29**				

Penalty: The loan documentation executed with respect to the working capital term loans mentioned above set out penalty provisions for compliance with the provisions of the loan documents. Such provisions include, but are not limited to:

(a) Any interest/ principle being over-due will attract penal interest of 2% (two per cent) p.m. (per month) over and above the regular interest rate on the amount due for the period of delay.

(b) Additional interest payable as per the terms and conditions of the respective sanction letters in the event of any breach of any financial covenants or failure to create security within the period stipulated under the financing documents.

Events of Default: The facility documents executed by the Company stipulates certain events as "*Events of Default*", pursuant to which the Company may be required to immediately repay the entire loan facility availed by it and be subject to additional penalties by the relevant lenders. Such events include, but are not limited to:

(a) Non-payment

The Company does not pay on the due date any amount payable pursuant to a finance document at the place at and in the currency in which it is expressed to be payable.

(b) Financial covenants and Security

Any requirement of financial covenants and security coverage ratios is not satisfied or the Company does not comply with any provision of the security documents or any other finance document dealing with transaction security.

(c) Misrepresentation

Any representation or statement made or deemed to be made by the Company in the finance documents or any other document delivered by or on behalf of the Company under or in connection with any finance document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made.

(d) Cross default

e. Any financial indebtedness of the Company is not paid when due nor within any originally applicable grace period.

f. Any financial indebtedness of the Company is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).

g. Any commitment for any financial indebtedness of the Company is cancelled or suspended by a creditor of any member of the Group as a result of an event of default (however described).

h. Any creditor of the Company becomes entitled to declare any financial indebtedness of any member of the Group due and payable prior to its specified maturity as a result of an event of default (however described).

(e) Insolvency

c. The Company or any of its Subsidiaries is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness.

d. A moratorium is declared in respect of any indebtedness of the Company or any of its Subsidiaries.

(f) Insolvency proceedings

Any corporate action, legal proceedings or other procedure or step is taken in relation to:

e. the suspension of payments, a moratorium of any indebtedness, initiation of corporate insolvency resolution process, winding-up. dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Company or any of its Subsidiaries;

f. a composition, compromise, assignment or arrangement with any creditor of the Company or any of its Subsidiaries;

g. the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Company or any of its Subsidiaries or any of its assets; or

h. enforcement of any Security over any assets of any member of the Group, or any analogous procedure or step is taken in any jurisdiction.

(g) Unlawfulness

It is or becomes unlawful for the Company to perform any of its obligations under the finance documents and/or any obligation or obligations of the Company under any finance document are not or cease to be valid, binding and enforceable.

(h) Repudiation

The Company repudiates a finance document or evidences an intention to repudiate a finance document.

(i) Material adverse effect

Any event or circumstance occurs which the Lender reasonably believes might have a material adverse effect (as defined in the respective agreements).

(j) Enforceability of Security

Any security document is not or ceases to be legal, valid, binding enforceable or effective or is alleged by a party to it (other than the Lender) to be ineffective or the value of the transaction security has been or is threatened to be decreased.

3. **Cash Credit / Working Capital Loans/ Working Capital Demand Loans/ Short Term Loans from Banks**

(₹ in lakhs)

Sr. No.	Lender's name	Amount Sanctioned	Principal Amount outstanding as on June 30, 2024	Repayment Schedule and pre-payment penalty, if any	Security	Credit Rating (if applicable)	Asset Classification
1	Indian Bank	55,000.00	54,422.12	On Demand	First pari-passu charge on Hypothecation on Gold loan Receivables and entire other current assets of the company with other lenders i.e. 20% margin	CRISIL AA-/Stable	Standard
2	Union Bank of India	0	0	On Demand	First charge on	CRISIL AA-/Stable	Standard

Sr. No.	Lender's name	Amount Sanctioned	Principal Amount outstanding as on June 30, 2024	Repayment Schedule and pre-payment penalty, if any	Security	Credit Rating (if applicable)	Asset Classification
					a pari-passu basis on the present and future gold loan receivables and entire current assets of the Company, with a margin of 15%, by way of hypothecation		
3	Axis Bank	22,500.00	17,500	On Demand	First charge on a pari-passu basis of gold loan receivables of the Company, with a margin of 20% for gold loan receivables, by way of hypothecation.	CRISIL AA-/Stable	Standard
4	Bank of India	0.00	0	On Demand	First charge on pari-passu basis on book debts and other current assets of the company, with a margin of 15%, i.e. security	CRISIL AA-/Stable	Standard

Sr. No.	Lender's name	Amount Sanctioned	Principal Amount outstanding as on June 30, 2024	Repayment Schedule and pre-payment penalty, if any	Security	Credit Rating (if applicable)	Asset Classification
					cover of 1.18 times.		
5	Bank of Maharashtra	1,250.00	1,250.59	On Demand	First Pari-passu Hypotheca tion charge on receivable s and entire chargeable current assets of the company (both present and future) with other member banks by way of hypotheca tion with minimum security coverage of 1.15 times of the loan amount.	CRISIL AA-/Stable	Standard
6	Central Bank of India	15,000.00	14,434.27	On Demand	First Pari-passu charge on Gold loan Receivabl es of the company along with the other working capital /short term lenders with margin of 20% on Gold loans	CRISIL AA-/Stable	Standard

Sr. No.	Lender's name	Amount Sanctioned	Principal Amount outstanding as on June 30, 2024	Repayment Schedule and pre-payment penalty, if any	Security	Credit Rating (if applicable)	Asset Classification
					Receivables		
9	Federal Bank	15,000.00	14,500.00	On Demand	Hypothecation and pari-passu first charge on the current assets, major portion of which is gold loan receivables with other lenders, with a margin of 15%,	CRISIL AA-/Stable	Standard
10	IDBI Bank Ltd	35,000.00	34,636.79	On Demand	First charge on a pari-passu basis on the present and future current assets of the Company, with a margin of 15%, by way of hypothecation.	CRISIL AA-/Stable	Standard
11	Indian Overseas Bank	10,000.00	9,601.91	On Demand	First charge on a pari-passu basis on the present and future gold loan receivables and current assets of the	CRISIL AA-/Stable	Standard

Sr. No.	Lender's name	Amount Sanctioned	Principal Amount outstanding as on June 30, 2024	Repayment Schedule and pre-payment penalty, if any	Security	Credit Rating (if applicable)	Asset Classification
					Company along with secured debenture holders and other working capital lenders, with a margin of 20%, by way of hypothecation.		
12	Indus Ind Bank	55,000.00	54,500.00	On Demand	First charge on pari-passu basis on current assets, book debts, loans and advances and receivables including gold loan receivables with a margin of 15% gold loan receivables (security cover 1.18*)	CRISIL AA-/Stable	Standard
13	Karnataka Bank	10,000.00	9,558.06	On Demand	First charge on a pari-passu basis current assets and gold loan receivables and other current assets of	CRISIL AA-/Stable	Standard

Sr. No.	Lender's name	Amount Sanctioned	Principal Amount outstanding as on June 30, 2024	Repayment Schedule and pre-payment penalty, if any	Security	Credit Rating (if applicable)	Asset Classification
					the Company, with a margin of 15% on current assets, by way of hypotheca tion.		
14	Karur Vysya Bank	12,500.00	0.00	On Demand	First Pari-passu charge on Current assets, book debts, loans and advances and receivable s including gold loan receivable s with a margin of 15% (i.e. 1.18times)	CRISIL AA-/Stable	Standard
15	DBS Bank	60,000.00	40,000.00	On Demand	First Pari-passu Hypotheca tion charge on receivable s and entire chargeable current assets of the company (both present and future) with other member banks by way of hypotheca	CRISIL AA-/Stable	Standard

Sr. No.	Lender's name	Amount Sanctioned	Principal Amount outstanding as on June 30, 2024	Repayment Schedule and pre-payment penalty, if any	Security	Credit Rating (if applicable)	Asset Classification
					tion with minimum security coverage of 1.25 times of the loan amount		
16	Punjab National Bank	1,40,000.00	1,34,272.07	On Demand	First charge on a pari-passu basis on the entire current assets, book debt receivables both present and future including gold loan receivables of the Company, with a margin of 20%, by way of hypothecation.	CRISIL AA-/Stable	Standard
17	South Indian Bank	22,500.00	22,286.31	On Demand	Pari passu charge on gold loan receivables along with other working capital lenders and debenture holders, with a margin of 15% on gold loan	CRISIL AA-/Stable	Standard

Sr. No.	Lender's name	Amount Sanctioned	Principal Amount outstanding as on June 30, 2024	Repayment Schedule and pre-payment penalty, if any	Security	Credit Rating (if applicable)	Asset Classification
					receivables, by way of hypothecation.		
18	State Bank of India	1,40,000.00	1,39,735.55	On Demand	Primary Security: First charge on a pari-passu basis on the present and future current assets including receivables along with other lenders, with a margin of 20%, by way of hypothecation of receivables Collateral and first charge over four properties owned by the Promoters situated in (a) Vizinjam village, Thiruvananthapuram; (b) Kovalam Thiruvananthapuram; (c) Vattiyoorkavu village, Thiruvana	CRISIL AA-/Stable	Standard

Sr. No.	Lender's name	Amount Sanctioned	Principal Amount outstanding as on June 30, 2024	Repayment Schedule and pre-payment penalty, if any	Security	Credit Rating (if applicable)	Asset Classification
					nthapuram ; and (d) Sasthamangalam village		
19	Union Bank of India	1,75,000.00	1,75,000.00	On Demand	First charge on a pari-passu basis on the present and future gold loan receivables and entire current assets of the Company, with a margin of 15%, by way of hypothecation	CRISIL AA-/Stable	Standard
20	Tamilnad Mercantile Bank	5,000.00	5,000.00	On demand	Drawing shall be allowed only against gold loan receivables, with minimum security coverage of 1.18 times of the loan amount	CRISIL AA-/Stable	Standard
22	DCB Bank	10,000	9,999.92	On Demand	First pari-passu charge on receivables/book debts (pertaining to Gold Loan	CRISIL AA-/Stable	Standard

Sr. No.	Lender's name	Amount Sanctioned	Principal Amount outstanding as on June 30, 2024	Repayment Schedule and pre-payment penalty, if any	Security	Credit Rating (if applicable)	Asset Classification
					book) other than those specifically charged to other lenders covering 110% of exposure at all times.		
23	HDFC Bank	35,000.00	35,000.00	On Demand	First charge on a pari-passu basis on the present and future gold loan receivables and entire current assets of the Company, with a margin of 15%, by way of hypothecation	CRISIL AA-/Stable	Standard
24	Bandhan Bank	1,000.00	707.67	On Demand	Pari-passu charge over the receivables of the company with minimum asset cover maintained at 1.10 times	CRISIL AA-/Stable	Standard
25	Bank of Baroda	45,000.00	44,562.09	On Demand	Pari passu charge on book debts, loan	CRISIL AA-/Stable	Standard

Sr. No.	Lender's name	Amount Sanctioned	Principal Amount outstanding as on June 30, 2024	Repayment Schedule and pre-payment penalty, if any	Security	Credit Rating (if applicable)	Asset Classification
					receivables/ current assets of the company (both present and future) to the extent of 1.18 times of loan amount with other bank/ financial institution; pari-passu charge with lenders on secured public / privately places NCDs (present and prospective		
	TOTAL	**8,54,750.00**	**8,16,968.20**				

Penalty: The loan documentation executed with respect to the cash credit / working capital loans/ working capital demand loans/ short term loans mentioned above set out penalty provisions for compliance with the provisions of the loan documents. Such provisions include, but are not limited to:

(a) Any interest/ principle being over-due will attract penal interest of 2% (two per cent) p.m. (per month) over and above the regular interest rate on the amount due for the period of delay.

(b) Additional interest payable as per the terms and conditions of the respective sanction letters in the event of any breach of any financial covenants or failure to create security within the period stipulated under the financing documents.

Events of Default: The facility documents executed by the Company stipulates certain events as "*Events of Default*", pursuant to which the Company may be required to immediately repay the entire loan facility availed by it and be subject to additional penalties by the relevant lenders. Such events include, but are not limited to:

(a) Non-payment

The Company does not pay on the due date any amount payable pursuant to a finance document at the place at and in the currency in which it is expressed to be payable.

(b) Financial covenants and Security

Any requirement of financial covenants and security coverage ratios is not satisfied or the Company does not comply with any provision of the security documents or any other finance document dealing with transaction security.

(c) Misrepresentation

Any representation or statement made or deemed to be made by the Company in the finance documents or any other document delivered by or on behalf of the Company under or in connection with any finance document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made.

(d) Cross default

i. Any financial indebtedness of the Company is not paid when due nor within any originally applicable grace period.

j. Any financial indebtedness of the Company is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).

k. Any commitment for any financial indebtedness of the Company is cancelled or suspended by a creditor of any member of the Group as a result of an event of default (however described).

l. Any creditor of the Company becomes entitled to declare any financial indebtedness of any member of the Group due and payable prior to its specified maturity as a result of an event of default (however described).

(e) Insolvency

e. The Company or any of its Subsidiaries is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness.

f. A moratorium is declared in respect of any indebtedness of the Company or any of its Subsidiaries.

(f) Insolvency proceedings

Any corporate action, legal proceedings or other procedure or step is taken in relation to:

i. the suspension of payments, a moratorium of any indebtedness, initiation of corporate insolvency resolution process, winding-up. dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Company or any of its Subsidiaries;

j. a composition, compromise, assignment or arrangement with any creditor of the Company or any of its Subsidiaries;

k. the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Company or any of its Subsidiaries or any of its assets; or

l. enforcement of any Security over any assets of any member of the Group, or any analogous procedure or step is taken in any jurisdiction.

(g) Unlawfulness

It is or becomes unlawful for the Company to perform any of its obligations under the finance documents and/or any obligation or obligations of the Company under any finance document are not or cease to be valid, binding and enforceable.

(h) Repudiation

The Company repudiates a finance document or evidences an intention to repudiate a finance document.

(i) Material adverse effect

Any event or circumstance occurs which the Lender reasonably believes might have a material adverse effect (as defined in the respective agreements).

(j) Enforceability of Security

Any security document is not or ceases to be legal, valid, binding enforceable or effective or is alleged by a party to it (other than the Lender) to be ineffective or the value of the transaction security has been or is threatened to be decreased.

(b) **Private Placement of non-convertible debentdures, as on June 30, 2024**

The Company has issued, secured, rated, listed redeemable non-convertible debentures on private placement basis of ₹ 30,000 lakhs was outstanding as on June 30, 2024, the details of which are set forth below:

Sr. No.	Series of NCD/Description	Date of Allotment	ISIN	Tenor/ Period of Maturity	Coupon (per annum)	Credit Rating	Amount outstanding as on June 30, 2024 (₹ in lakhs)	Redemption/ Maturity Date	Security
1.	Secured, Redeemable, Rated, Listed Non-Convertible Debentures	August 09, 2023	INE549K07CG7	36 Months	9.10%	CRISIL AA-/Stable	10,000	August 09, 2026	First ranking pari passu floating charge by way of hypothecation on the present and future standard loan receivables and current assets along with other lenders and NCD investors with a minimum asset coverage ratio of 1.1 X time of the value of the outstanding amounts of the Debentures and it shall be maintained at all times until the redemption of the Debentures..

Sr. No.	Series of NCD/Description	Date of Allotment	ISIN	Tenor/ Period of Maturity	Coupon (per annum)	Credit Rating	Amount outstanding as on June 30, 2024 (₹ in lakhs)	Redemption/ Maturity Date	Security
2.	Secured, Redeemable, Rated, Listed Taxable Non-Convertible Debentures	December 21, 2023	INE549K07DB6	60 Months	9.75%	CRISIL AA-/Stable	20,000	December 21, 2028	First ranking pari passu floating charge by way of hypothecation on the present and future standard loan receivables and current assets along with other lenders and NCD investors with a minimum asset coverage ratio of 1.25 X time of the value of the outstanding amounts of the Debentures and it shall be maintained at all times until the redemption of the Debentures..

(b) **Secured Non-Convertible Debentures – Public Issue as on June 30, 2024**

1. The Company has issued 48,00,000 secured, redeemable bonds in the nature of non-convertible debentures and allotted debentures of ₹ 9,083.08 lakhs by way of public issue pursuant to the prospectus dated January 6, 2020, the details of which are set out below*:

Sr. No.	Series of NCDs/Description	Date of Allotment	ISIN	Tenor / Period of Maturity	Coupon (per annum)	Credit Rating	No. of NCD holders as on June 30, 2024	Amount outstanding as on June 30, 2024 (₹ in lakhs)	Redemption / Maturity Date	Security
1	Secured, Redeemabl		INE549K07519	400 Days	9.00%	"AA-/ Stable"	Nil	Nil	March 13, 2021	Subservient charge with existing

Sr. No.	Series of NCDs/Description	Date of Allotment	ISIN	Tenor / Period of Maturity	Coupon (per annum)	Credit Rating	No. of NCD holders as on June 30, 2024	Amount outstanding as on June 30, 2024 (₹ in lakhs)	Redemption / Maturity Date	Security
2	e, Listed, Rated Non-Convertible Debentures	February 7, 2020	INE549K07527	24 Months	9.25%	by CRISIL Ratings Limited and "BWR AA-" Outlook: Stable)' by Brickwork Ratings India Private Limited	Nil	Nil	February 7, 2022	secured creditors, on certain loan receivables (both present and future) of the Company in favour of Debenture Trustee
3			INE549K07535	38 Months	9.40%		Nil	Nil	April 9, 2023	
4			INE549K07543	60 Months	9.50%		688	2,631.89	February 7, 2025	
5			INE549K07550	24 Months	9.65%		Nil	Nil	February 7, 2022	
6			INE549K07568	38 Months	9.90%		Nil	Nil	April 8, 2023	
7			INE549K07576	60 Months	10.00%		345	891.00	February 7, 2025	
8			INE549K07584	400 Days	-		Nil	Nil	March 13, 2021	
9			INE549K07592	24 Months	-		Nil	Nil	February 7, 2022	
10			INE549K07600	38 Months	-		Nil	Nil	April 8, 2023	
11			INE549K07618	60 Months	-		1,921	5,560.19	February 7, 2025	

2. The Company has issued 16,00,000 secured, redeemable bonds in the nature of non-convertible debentures and allotted debentures of ₹4,784.23 lakhs by way of public issue pursuant to the prospectus dated June 25, 2020, the details of which are set out below*:

Sr. No.	Description	Date of Allotment	ISIN	Tenor/ Period of Maturity	Coupon (per annum)	Credit Rating	No. of NCD holders as on June	Amount outstanding as on June 30, 2024 (₹ in lakhs)	Redemption / Maturity Date	Security

							30, 2023			
1	Secured, Redeemable, Listed, Rated Non-Convertible Debentures	July 17, 2020	INE549K07667	24 Months	9.00%	"AA-/ Stable" by CRISIL Ratings Limited	NIL	NIL	July 17, 2022**	i) subservient charge with existing secured creditors, on certain loan receivables (both present and future) of the Company in favour of Debenture Trustee and (ii) mortgage and charge over the immovable property admeasuring 54 cents situated at Survey No 764/6A, Arulvaimozhy Village, Thovala Thaluk, Kanyakumari District, Tamil Nadu, to be held on pari passu basis among the present and / or future NCD holders, as may be applicable
2			INE549K07675	38 Months	9.15%		NIL	NIL	September 16, 2023	
3			INE549K07683	60 Months	9.25%		492	1,396.23	July 17, 2025	
4			INE549K07691	24 Months	9.40%		NIL	NIL	July 17, 2022**	
5			INE549K07709	38 Months	9.65%		NIL	NIL	September 16, 2023	
6			INE549K07717	60 Months	9.75%		236	581.39	July 17, 2025	
7			INE549K07725	24 Months	-		NIL	NIL	July 17, 2022**	
8			INE549K07733	38 Months	-		NIL	NIL	September 16, 2023	
9			INE549K07741	60 Months	-		966	2,806.61	July 17, 2025	

3. The Company has issued 40,00,000 secured, redeemable bonds in the nature of non-convertible debentures and allotted debentures of ₹11,629.19 lakhs by way of public issue pursuant to the prospectus dated September 24, 2020, the details of which are set out below:

Sr. No.	Description	Date of Allotment	ISIN	Tenor/ Period of Maturity	Coupon (per annum)	Credit Rating	No. of NCD holders as on June 30, 2024	Amount outstanding as on June 30, 2024 (₹ in lakhs)	Redemption / Maturity Date	Security
1	Secured, Redeemable, Listed, Rated Non-	October 29, 2020	INE549K07808	27 Months	8.85 %	"AA-/ Stable "by CRISIL	NIL	NIL	January 28, 2023	Subservient charge with existing secured creditors, on
2			INE549K07816	38 Months	9%		NIL	NIL	December 28, 2023	

Sr. No.	Description	Date of Allotment	ISIN	Tenor/ Period of Maturity	Coupon (per annum)	Credit Rating	No. of NCD holders as on June 30, 2024	Amount outstanding as on June 30, 2024 (₹ in lakhs)	Redemption / Maturity Date	Security
3	Convertible Debentures		INE549K07824	60 Months	9.15%	Ratings Limited	1,218	4,785.35	October 29, 2025	certain loan receivables (both present and future) of the Company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders, as may be applicable
4			INE549K07832	27 Months	9.25%		NIL	NIL	January 28, 2023	
5			INE549K07840	38 Months	9.45%		NIL	NIL	December 28, 2023	
6			INE549K07857	60 Months	9.60%		882	1,900.62	October 29, 2025	
7			INE549K07865	27 Months	-		NIL	NIL	January 28, 2023	
8			INE549K07873	38 Months	-		NIL	NIL	December 28, 2023	
9			INE549K07881	60 Months	-		1,745	4,943.22	October 29, 2025	

4. The Company has issued 40,00,000 Secured & Unsecured, redeemable bonds in the nature of non-convertible debentures and allotted secured debentures of ₹5,196.77 lakhs by way of public issue pursuant to the prospectus dated December 28, 2020, the details of which are set out below:

Sr. No.	Description	Date of Allotment	ISIN	Tenor/ Period of Maturity	Coupon (per annum)	Credit Rating	No. of NCD holders as on June 30, 2024	Amount outstanding as on June 30, 2024 (₹ in lakhs)	Redemption / Maturity Date	Security
1	Secured, Redeemable, Listed, Rated Non-Convertible Debentures	January 29, 2021	INE549K07923	27 Months	8.25 %	"AA-/ Stable" by CRISIL Ratings Limited	Nil	Nil	April 29, 2023	Subservient charge with existing secured creditors, on certain loan receivables (both present and future) of the Company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders, as may be applicable
2			INE549K07931	38 Months	8.50 %		Nil	Nil	March 29, 2024	
3			INE549K07949	60 Months	8.75 %		826	2,912.40	January 29, 2026	
4			INE549K07956	27 Months	-		Nil	Nil	April 29, 2023	

5			INE549K07964	38 Months	-		Nil	Nil	March 29, 2024	
6			INE549K07972	60 Months	-		806	2,284.37	January 29, 2026	

5. The Company has issued 30,00,000 Secured & Unsecured, redeemable bonds in the nature of non-convertible debentures and allotted secured debentures of ₹ 3,416.99 lakhs by way of public issue pursuant to the prospectus dated February 15, 2021, the details of which are set out below:

Sr. No.	**Description**	**Date of Allotment**	**ISIN**	**Tenor/ Period of Maturity**	**Coupon (per annum)**	**Credit Rating**	**No. of NCD holders as on June 30, 2024**	**Amount outstanding as on June 30, 2024 (₹ in lakhs)**	**Redemption / Maturity Date**	**Security**
1	Secured, Redeemable, Listed, Rated Non-Convertible Debentures	March 15, 2021	INE549K07998	27 Months	8.25 %	"AA- / Stable "by CRISIL Ratings Limited	Nil	Nil	June 13, 2023	subservient charge with existing secured creditors, on certain loan receivables (both present and future) of the Company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders, as may be applicable
2			INE549K07AA4	38 Months	8.50%		Nil	Nil	May 13, 2024	
3			INE549K07AB2	60 Months	8.75%		710	2,242.58	March 13, 2026	
4			INE549K07AC0	27 Months	-		Nil	Nil	June 13, 2023	
5			INE549K07AD8	38 Months	-		Nil	Nil	May 13, 2024	
6			INE549K07AE6	60 Months	-		511	1,174.41	March 13, 2026	

6. The Company has issued 40,00,000 Secured & Unsecured, redeemable bonds in the nature of non-convertible debentures and allotted secured debentures of ₹7,758.40 lakhs by way of public issue pursuant to the prospectus dated March 31, 2021, the details of which are set out below*:

Sr. No.	Description	Date of Allotment	ISIN	Tenor/ Period of Maturity	Coupon (per annum)	Credit Rating	No. of NCD holders as on June 30, 2024	Amount outstanding as on June 30, 2024 (₹ in lakhs)	Redemption / Maturity Date	Security
1	Secured Redeemable, Listed, Rated Non-Convertible Debentures	May 7, 2021	INE549K07AH9	27 Months	8.25 %	"AA-/ Stable "by CRISIL Ratings Limited	NIL	NIL	August 5, 2023	Subservient charge with existing secured creditors, on certain loan receivables (both present and future) of the Company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders, as may be applicable
2			INE549K07AI7	38 Months	8.50%		829	2,483.42	July 6, 2024	
3			INE549K07AJ5	60 Months	8.75%		678	2,121.65	May 7, 2026	
4			INE549K07AM9	27 Months	-		NIL	NIL	August 5, 2023	
5			INE549K07AN7	38 Months	-		703	1,847.53	July 6, 2024	
6			INE549K07AO5	60 Months	-		530	1,305.80	May 7, 2026	

7. The Company has issued 40,00,000 Secured & Unsecured, redeemable bonds in the nature of non-convertible debentures and allotted secured debentures of ₹ 12,363.07 lakhs by way of public issue pursuant to the prospectus dated September 27, 2021, the details of which are set out below*:

Sr. No.	Description	Date of Allotment	ISIN	Tenor/ Period of Maturity	Coupon (per annum)	Credit Rating	No. of NCD holders as on June 30, 2024	Amount outstanding as on June 30, 2024 (₹ in lakhs)	Redemption / Maturity Date	Security
1	Secured Redeemable, Listed, Rated Non-Convertible	October 29, 2021	INE549K07AS6	27 Months	8.25 %	"AA-/ Stable "by CRISIL Ratings Limited	Nil	Nil	January 28, 2024	Subservient charge with existing secured creditors, on certain loan receivables (both present and future) of the Company in favour of Debenture Trustee, to be
2			INE549K07AT4	38 Months	8.50%		1,199	3,938.62	December 28, 2024	
3			INE549K07AU2	60 Months	8.75%		881	3,471.19	October 29, 2026	
4			INE549K07AV0	27 Months	-		Nil	Nil	January 28, 2024	

Sr. No.	Description	Date of Allotment	ISIN	Tenor/ Period of Maturity	Coupon (per annum)	Credit Rating	No. of NCD holders as on June 30, 2024	Amount outstanding as on June 30, 2024 (₹ in lakhs)	Redemption / Maturity Date	Security
5	Debentures		INE549K07AW8	38 Months	-		1,015	3,035.85	December 28, 2024	held on pari passu basis among the present and / or future NCD holders, as may be applicable.
6			INE549K07AX6	60 Months	-		566	1,917.41	October 29, 2026	

8. The Company has issued 40,00,000 Secured, redeemable bonds in the nature of non-convertible debentures and allotted debentures of ₹ 23,540.15 lakhs by way of public issue pursuant to the prospectus dated December 30, 2021, the details of which are set out below:

Sr. No.	Description	Date of Allotment	ISIN	Tenor/ Period of Maturity	Coupon (per annum)	Credit Rating	No. of NCD holders as on June 30, 2024	Amount outstanding as on June 30, 2024 (₹ in lakhs)	Redemption / Maturity Date	Security
1	Secured Redeemable, Listed, Rated Non-Convertible Debentures	February 02, 2022	INE549K07AZ1	27 Months	8.00%	"AA-/ Stable" by CRISIL Ratings Limited	1,991	Nil	May 02, 2024	Subservient charge with existing secured creditors, on certain loan receivables (both present and future) of the Company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders, as may be applicable
2			INE549K07BA2	38 Months	8.25%		1,144	3,915.40	April 03, 2025	
3			INE549K07BB0	60 Months	8.50%		749	2,803.18	February 02, 2027	
4			INE549K07BC8	72 Months	8.75%		486	1,957.46	February 02, 2028	
5			INE549K07BD6	96 Months	9.00%		1,166	5,638.69	February 02, 2030	

Sr. No.	Description	Date of Allotment	ISIN	Tenor/ Period of Maturity	Coupon (per annum)	Credit Rating	No. of NCD holders as on June 30, 2024	Amount outstanding as on June 30, 2024 (₹ in lakhs)	Redemption / Maturity Date	Security
6			INE549K07BE4	27 Months	8.31%		Nil	Nil	May 02, 2024	
7			INE549K07BF1	38 Months	8.57%		1,113	3,039.28	April 03, 2025	
8			INE549K07BG9	60 Months	8.83%		441	1,270.53	February 02, 2027	
9			INE549K07BH7	72 Months	9.11%		225	825.60	February 02, 2028	
10			INE549K07BI5	96 Months	9.37%		1,170	4,090.01	February 02, 2030	

9. The Company has issued 50,00,000 Secured, redeemable bonds in the nature of non-convertible debentures and allotted debentures of ₹ 39,884.19 lakhs by way of public issue pursuant to the prospectus dated August 03, 2022, the details of which are set out below*:

Sr. No.	Description	Date of Allotment	ISIN	Tenor/ Period of Maturity	Coupon (per annum)	Credit Rating	No. of NCD holders as on June 30, 2024	Amount outstanding as on June 30, 2024 (₹ in lakhs)	Redemption / Maturity Date	Security
1	Secured Redeemable, Listed, Rated Non-Convertible Debentures	September 09, 2022	INE549K07BP0	27 Months	8.00%	"AA-/ Stable" by CRISIL Ratings Limited	2,276	7,600.15	December 05, 2024	Subservient charge with existing secured creditors, on certain loan receivables (both present and future) of the Company in favour of Debenture
2			INE549K07BO3	38 Months	8.25%		1,119	4,309.84	November 05, 2025	
3			INE549K07BN5	48 Months	8.35%		1,972	8,994.81	September 06, 2026	

Sr. No.	Description	Date of Allotment	ISIN	Tenor/ Period of Maturity	Coupon (per annum)	Credit Rating	No. of NCD holders as on June 30, 2024	Amount outstanding as on June 30, 2024 (₹ in lakhs)	Redemption / Maturity Date	Security
4			INE549 K07BM7	27 Months	-		3,943	8,501.93	December 05, 2024	Trustee, to be held on pari passu basis among the present and / or future NCD holders, as may be applicable
5			INE549 K07BL9	38 Months	-		1,181	3,594.95	November 05, 2025	
6			INE549 K07BK1	48 Months	-		808	2,874.08	September 06, 2026	
7			INE549 K07BJ3	96 Months	-		1,199	4,008.43	September 06, 2030	

10. The Company has issued 40,00,000 Secured, redeemable bonds in the nature of non-convertible debentures and allotted debentures of ₹ 28,316.38 lakhs by way of public issue pursuant to the prospectus dated December 29, 2022, the details of which are set out below*:

Sr. No.	Description	Date of Allotment	ISIN	Tenor/ Period of Maturity	Coupon (per annum)	Credit Rating	No. of NCD holders as on June 30, 2024	Amount outstanding as on June 30, 2024 (₹ in lakhs)	Redemption / Maturity Date	Security
1	Secured Redeemable, Listed, Rated Non-Convertible Debentures	February 02, 2023	INE549K07BV8	27 Months	8.10 %	"AA-/ Stable" by CRISIL Ratings Limited	1,561	4,037.56	May 02, 2025	Subservient charge with existing secured creditors, on certain loan receivables (both present and future) of the Company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders, as may be applicable.
2			INE549K07BT2	38 Months	8.25 %		581	1,956.82	April 02, 2026	
3			INE549K07BX4	48 Months	8.40 %		363	1,180.84	February 02, 2027	
4			INE549K07BU0	60 Months	8.50 %		912	4,031.84	February 02, 2028	
5			INE549K07BS4	48 Months	8.70 %		311	1,173.63	February 02, 2027	
6			INE549K07BW6	60 Months	8.80 %		499	1,505.84	February 02, 2028	
7			INE549K07BR6	27 Months	-		3,622	7,483.17	May 02, 2025	

Sr. No.	Description	Date of Allotment	ISIN	Tenor/ Period of Maturity	Coupon (per annum)	Credit Rating	No. of NCD holders as on June 30, 2024	Amount outstanding as on June 30, 2024 (₹ in lakhs)	Redemption / Maturity Date	Security
8			INE549K07BQ8	38 Months	-		2,106	6,946.68	April 02, 2026	

11. The Company has issued 30,00,000 Secured, redeemable bonds in the nature of non-convertible debentures and allotted debentures of ₹ 17,209.77 lakhs by way of public issue pursuant to the prospectus dated March 29, 2023, the details of which are set out below*:

Sr. No.	Description	Date of Allotment	ISIN	Tenor/ Period of Maturity	Coupon (per annum)	Credit Rating	No. of NCD holders as on June 30, 2024	Amount outstanding as on June 30, 2024 (₹ in lakhs)	Redemption / Maturity Date	Security
1	Secured Redeemable, Listed, Rated Non-Convertible Debentures	May 02, 2023	INE549K07CF9	27 Months	8.40%	"AA-/ Stable" by CRISIL Ratings Limited	1,289	2,961.83	August 02, 2025	Subservient charge with existing secured creditors, on certain loan receivables (both present and future) of the Company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders, as may be applicable.
2			INE549K07CE2	42 Months	8.65%		430	1,318.16	November 02, 2026	
3			INE549K07CD4	60 Months	8.80%		341	1,100.40	May 02, 2028	
4			INE549K07CC6	84 Months	9.00%		619	2,214.56	May 02, 2030	
5			INE549K07CB8	60 Months	9.15%		542	1,370.11	May 02, 2028	
6			INE549K07CA0	27 Months	-		2,404	4,627.19	August 02, 2025	
7			INE549K07BZ9	42 Months	-		729	2,142.56	November 02, 2026	
8			INE549K07BY2	84 Months	-		532	1,474.96	May 02, 2030	

12. The Company has issued 40,00,000 Secured, redeemable bonds in the nature of non-convertible debentures and allotted debentures of ₹ 22,839.84 lakhs by way of public issue pursuant to the prospectus dated August 23, 2023, the details of which are set out below*:

Sr. No.	Description	Date of Allotment	ISIN	Tenor/ Period of Maturity	Coupon (per annum)	Credit Rating	No. of NCD holders as on June 30, 2024	Amount outstanding as on June 30, 2024 (₹ in lakhs)	Redemption / Maturity Date	Security
1	Secured Redeemable, Listed, Rated Non-Convertible Debentures	September 20, 2023	INE549K07CI3	24 Months	8.40%	"AA-/ Stable" by CRISIL Ratings Limited	1,158	2,772.32	September 20, 2025	Subservient charge with existing secured creditors, on certain loan receivables (both present and future) of the Company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders, as may be applicable.
2			INE549K07CQ6	36 Months	8.65%		820	2,817.16	September 20, 2026	
3			INE549K07CP8	60 Months	8.80%		913	3,553.57	September 20, 2028	
4			INE549K07CO1	24 Months	9.00%		841	1,395.4	September 20, 2025	
5			INE549K07CN3	36 Months	9.15%		608	1,326.73	September 20, 2026	
6			INE549K07CL7	60 Months	-		520	1,335.45	September 20, 2028	
7			INE549K07CK9	24 Months	-		2387	4,953.42	September 20, 2025	
8			INE549K07CJ1	36 Months	-		940	2,388.26	September 20, 2026	
9			INE549K07CM5	60 Months	-		404	937.37	September 20, 2028	
10			INE549K07CH5	96 Months	-		439	1,360.16	September 20, 2031	

13. The Company has issued 22,50,000 Secured, redeemable bonds in the nature of non-convertible debentures and allotted debentures of ₹ 20,488.66 lakhs by way of public issue pursuant to the prospectus dated September 28, 2023, the details of which are set out below*:

Sr. No.	Description	Date of Allotment	ISIN	Tenor/ Period of Maturity	Coupon (per annum)	Credit Rating	No. of NCD holders as on June 30, 2024	Amount outstanding as on June 30, 2024 (₹ in lakhs)	Redemption / Maturity Date	Security
1	Secured Redeemable, Listed, Rated Non-Convertible Debentures	November 01, 2023	INE549K07CR4	24 Months	8.40 %	"AA- / Stable" by CRISIL Ratings Limited	892	2,710.67	November 01, 2025	Subservient charge with existing secured creditors, on certain loan receivables (both present and future) of the Company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders, as may be applicable.
2			INE549K07CS2	36 Months	8.65 %		696	4,423.11	November 01, 2026	
3			INE549K07CT0	60 Months	8.80 %		670	2,042.83	November 01, 2028	
4			INE549K07CU8	24 Months	9.00 %		660	963.59	November 01, 2025	
5			INE549K07CV6	36 Months	9.15 %		600	1,389.05	November 01, 2026	
6			INE549K07CW4	60 Months	-		492	1,004.59	November 01, 2028	
7			INE549K07CX2	24 Months	-		1358	2,535.81	November 01, 2025	
8			INE549K07CY0	36 Months	-		623	1,386.13	November 01, 2026	
9			INE549K07CZ7	60 Months	-		313	3,271.61	November 01, 2028	
10			INE549K07DA8	96 Months	-		272	761.27	November 01, 2031	

14. The Company has issued 30,00,000 Secured, redeemable bonds in the nature of non-convertible debentures and allotted debentures of ₹ 30,000.00 lakhs by way of public issue pursuant to the prospectus dated January 31, 2024, the details of which are set out below*:

Sr. No.	Description	Date of Allotment	ISIN	Tenor/ Period of Maturity	Coupon (per annum)	Credit Rating	No. of NCD holders as on June 30, 2024	Amount outstanding as on June 30, 2024 (₹ in lakhs)	Redemption / Maturity Date	Security
1	Secured Redeemable, Listed, Rated Non-Convertible Debentures	January 01, 2024	INE549K07DL5	24 Months	8.90%	"AA-/ Stable" by CRISIL Ratings Limited	984	2,570.75	January 31, 2026	Subservient charge with existing secured creditors, on certain loan receivables (both present and future) of the Company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders, as may be applicable.
2			INE549K07DH3	36 Months	9.15%		977	3,859.04	January 31, 2027	
3			INE549K07DG5	60 Months	9.35%		815	3,229.13	January 31, 2029	
4			INE549K07DD2	24 Months	9.25%		589	1,054.32	January 31, 2026	
5			INE549K07DE0	36 Months	9.50%		541	4,724.18	January 31, 2027	
6			INE549K07DF7	60 Months	9.75%		398	1,002.69	January 31, 2029	
7			INE549K07DI1	24 Months	-		1,977	4,141.01	January 31, 2026	
8			INE549K07DJ9	36 Months	-		890	4,259.63	January 31, 2027	
9			INE549K07DK7	60 Months	-		388	3,928.79	January 31, 2029	
10			INE549K07DC4	96 Months	-		349	1,230.46	January 31, 2032	

15. The Company has issued 36,00,000 Secured, redeemable bonds in the nature of non-convertible debentures and allotted debentures of ₹ 25,769.60 lakhs by way of public issue pursuant to the prospectus dated March 28, 2024, the details of which are set out below*:

Sr. No.	Description	Date of Allotment	ISIN	Tenor/ Period of Maturity	Coupon (per annum)	Credit Rating	No. of NCD holders as on June 30, 2024	Amount outstanding as on June 30, 2024 (₹ in lakhs)	Redemption / Maturity Date	Security
1	Secured Redeemable,		INE549K07DW2	26 Months	8.90%	"AA-/ Stable" by	1,031	2,676.61	June 30, 2026	Subservient charge with existing secured creditors, on certain

2	Listed, Rated Non-Convertible Debentures	April 30, 2024	INE549K 07DY8	38 Months	9.15%	CRISIL Ratings Limited	972	3,926.99	June 30, 2027	loan receivables (both present and future) of the Company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders, as may be applicable.
3			INE549K 07DV4	60 Months	9.35%		426	1,518.18	April 30, 2029	
4			INE549K 07DU6	72 Months	9.55%		743	3,023.54	April 30, 2030	
5			INE549K 07DO9	26 Months	9.25%		653	1,145.23	June 30, 2026	
6			INE549K 07DN1	38 Months	9.50%		599	1,166.80	June 30, 2027	
7			INE549K 07DP6	60 Months	9.75%		270	529.78	April 30, 2029	
8			INE549K 07DQ4	72 Months	10.00 %		637	2,225.09	April 30, 2030	
9			INE549K 07DR2	26 Months	-		2,027	4,588.07	June 30, 2026	
10			INE549K 07DS0	38 Months	-		765	2,364.10	June 30, 2027	
11			INE549K 07DT8	60 Months	-		209	680.03	April 30, 2029	
12			INE549K 07DM3	72 Months	-		368	940.21	April 30, 2030	
13			INE549K 07DX0	94 Months	-		286	984.97	March 01, 2032	

Penalty: The loan documentation executed with respect to the non-convertible debentures mentioned above set out penalty provisions for compliance with the provisions of the loan documents. Such provisions include, but are not limited to:

(a) Any interest/ principle being over-due will attract penal interest of 2% (two per cent) p.m. (per month) over and above the regular interest rate on the amount due for the period of delay.

(b) Additional interest payable as per the terms and conditions of the respective sanction letters in the event of any breach of any financial covenants or failure to create security within the period stipulated under the financing documents.

Events of Default: The facility documents executed by the Company stipulates certain events as "*Events of Default*", pursuant to which the Company may be required to immediately repay the entire loan facility availed by it and be subject to additional penalties by the relevant lenders. Such events include, but are not limited to:

(a) Non-payment

The Company does not pay on the due date any amount payable pursuant to a finance document at the place at and in the currency in which it is expressed to be payable.

(b) Financial covenants and Security

Any requirement of financial covenants and security coverage ratios is not satisfied or the Company does not comply with any provision of the security documents or any other finance document dealing with transaction security.

(c) Misrepresentation

Any representation or statement made or deemed to be made by the Company in the finance documents or any other document delivered by or on behalf of the Company under or in connection with any finance document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made.

(d) Cross default

m. Any financial indebtedness of the Company is not paid when due nor within any originally applicable grace period.

n. Any financial indebtedness of the Company is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).

o. Any commitment for any financial indebtedness of the Company is cancelled or suspended by a creditor of any member of the Group as a result of an event of default (however described).

p. Any creditor of the Company becomes entitled to declare any financial indebtedness of any member of the Group due and payable prior to its specified maturity as a result of an event of default (however described).

(e) Insolvency

g. The Company or any of its Subsidiaries is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness.

h. A moratorium is declared in respect of any indebtedness of the Company or any of its Subsidiaries.

(f) Insolvency proceedings

Any corporate action, legal proceedings or other procedure or step is taken in relation to:

m. the suspension of payments, a moratorium of any indebtedness, initiation of corporate insolvency resolution process, winding-up. dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Company or any of its Subsidiaries;

n. a composition, compromise, assignment or arrangement with any creditor of the Company or any of its Subsidiaries;

o. the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Company or any of its Subsidiaries or any of its assets; or

p. enforcement of any Security over any assets of any member of the Group, or any analogous procedure or step is taken in any jurisdiction.

(g) Unlawfulness

It is or becomes unlawful for the Company to perform any of its obligations under the finance documents and/or any obligation or obligations of the Company under any finance document are not or cease to be valid, binding and enforceable.

(h) Repudiation

The Company repudiates a finance document or evidences an intention to repudiate a finance document.

(i) Material adverse effect

Any event or circumstance occurs which the Lender reasonably believes might have a material adverse effect (as defined in the respective agreements).

(j) Enforceability of Security

Any security document is not or ceases to be legal, valid, binding enforceable or effective or is alleged by a party to it (other than the Lender) to be ineffective or the value of the transaction security has been or is threatened to be decreased.

(c) **Details of Unsecured Borrowings:**

Our Company's unsecured borrowings of ₹2,21,628.88 lakhs as on June 30, 2024, The details of the individual borrowings are set out below:

1. Subordinated Debts:

Sr. No.	**Series of NCD**	**Tenor/ Period of Maturity**	**Coupon Rate**	**Amount raised (₹ in lakhs)**	**Deemed Date of Allotment**	**Principal Redemption Date/ Schedule**	**Redemption Amount Outstanding as on** June 30**, 2024 (₹ in lakhs)**	**Credit Rating**
1.	Series 15	96 months	9.06% per annum compounded annually payable under the maturity scheme for 96 months and 9% under monthly scheme for 63 months.	7,185.02	February 18, 2017 to June 13, 2017	96 months from date of allotment	2,100.40	NIL
2.	Series 16	96 months	9.06% per annum compounded annually payable under the maturity scheme for 96 months and 9% under monthly scheme for 63 months.	19,893.00	September 9, 2017 to February 2, 2018	96 months from date of allotment	5,498.31	NIL
3.	Series 17	96 months	9.06% per annum compounded annually payable under the maturity	27,183.42	February 3, 2018 to August 6, 2018	96 months from date of allotment	7,435.89	NIL

Sr. No.	Series of NCD	Tenor/ Period of Maturity	Coupon Rate	Amount raised (₹ in lakhs)	Deemed Date of Allotment	Principal Redemption Date/ Schedule	Redemption Amount Outstanding as on June 30, 2024 (₹ in lakhs)	Credit Rating
			scheme for 96 months and 9% under monthly scheme for 63 months.					
4.	Series 18	96 months	9.06% per annum compounded annually payable under the maturity scheme for 96 months and 9% under monthly scheme for 63 months.	19,563.48	September 7, 2018 to December 10, 2018	96 months from date of allotment	5,298.32	NIL
6.	Series 20	96 months	9.06% per annum compounded annually payable under the maturity scheme for 96 months and 9% under monthly scheme for 63 months.	12,040	March 28, 2019 to July 06,2019	96 months from date of allotment	12,022.19	NIL
7.	Series 21	96 months	9.06% per annum compounded annually payable under the maturity scheme for 96 months and 9% under monthly scheme for 63 months	10,822.88	July 12, 2019 to September 19, 2019	96 months from date of allotment	10,822.88	NIL
8.	Series 22	96 months	9.06% per annum compounded annually payable under the maturity scheme for 96 months, 9.50% per annum compounded annually	3,347.53	October 28, 2019 to January 4, 2020	96 months from date of allotment	3,297.53	NIL

Sr. No.	Series of NCD	Tenor/ Period of Maturity	Coupon Rate	Amount raised (₹ in lakhs)	Deemed Date of Allotment	Principal Redemption Date/ Schedule	Redemption Amount Outstanding as on June 30, 2024 (₹ in lakhs)	Credit Rating
			payable under the maturity scheme for 63 months, 9.50% per annum under annual scheme for 63 months and 9% under monthly scheme for 63 months					
9.	Series 23	101 Months	8.60% per annum compounded annually payable under the maturity scheme (Doubling scheme) for 101 months, 9% per annum compounded annually payable under the maturity scheme for 63 months, 9% per annum under annual scheme for 63 months and 8.50% under monthly scheme for 63 months	4,775.27	May 20, 2020 to June 24, 2020	101 months from date of allotment	4,775.27	NIL
10.	Series 24	101 months	8.60% per annum compounded annually payable under the maturity scheme (Doubling scheme) for 101 months, 9% per annum compounded annually payable under the maturity	3,250.27	August 3, 2020 to September 4, 2020	101 months from date of allotment	3,250.27	NIL

Sr. No.	Series of NCD	Tenor/ Period of Maturity	Coupon Rate	Amount raised (₹ in lakhs)	Deemed Date of Allotment	Principal Redemption Date/ Schedule	Redemption Amount Outstanding as on June 30, 2024 (₹ in lakhs)	Credit Rating
			scheme for 63 months, 9% per annum under annual scheme for 63 months and 8.50% under monthly scheme for 63 months					
	Total			**1,13,936.70**			**54,501.06**	

2. Public Issue of non-convertible debentures as on June 30, 2024

A. The Company has issued 40,00,000 Secured & Unsecured, redeemable bonds in the nature of non-convertible debentures and allotted Unsecured debentures of ₹8,566.71 lakhs by way of public issue pursuant to the prospectus dated December 28, 2020, the details of which are set out below:

(₹ in lakhs)

Sr. No.	Series of NCD	Date of Allotment	Tenor/ Period of Maturity	Coupon (per annum)	Credit Rating	Amount outstanding as on June 30, 2024 (₹ in lakhs)	Redemption / Maturity Date
1	Unsecured, Redeemable, Listed, Rated Non-Convertible Debentures	January 29, 2021	72 Months	9.00%	"AA-/ Stable "by CRISIL Ratings Limited	3,201.66	January 29, 2027
2			72 Months	9.40%		1,178.43	January 29, 2027
3			72 Months	-		4,186.62	January 29, 2027

B. The Company has issued 30,00,000 Secured & Unsecured, redeemable bonds in the nature of non-convertible debentures and allotted Unsecured debentures of ₹ 5,915.88 lakhs by way of public issue pursuant to the prospectus dated February 15, 2021, the details of which are set out below:

Sr. No.	Description	Date of Allotment	Tenor/ Period of Maturity	Coupon (per annum)	Credit Rating	Amount outstanding as on June 30, 2024 (₹ in lakhs)	Redemption / Maturity Date
1	Unsecured, Redeemable, Listed Rated Non-Convertible Debentures	March 15, 2021	72 Months	9.00%	"AA-/ Stable "by CRISIL Ratings Limited	2,688.97	March 15, 2027
2			72 Months	9.40%		765.19	March 15, 2027
3			72 Months	-		2,461.72	March 15, 2027

C. The Company has issued 40,00,000 Secured & Unsecured, redeemable bonds in the nature of non-convertible debentures and allotted Unsecured debentures of ₹ 8,926.11 lakhs by way of public issue pursuant to the prospectus dated March 31, 2021, the details of which are set out below:

Sr. No.	Description	Date of Allotment	Tenor/ Period of Maturity	Coupon (per annum)	Credit Rating	Amount outstanding as on June 30, 2024 (₹ in lakhs)	Redemption / Maturity Date
1	Unsecured, Redeemable, Listed, Rated Non-Convertible Debentures	May 7, 2021	72 Months	9.00%	"AA-/ Stable by CRISIL Ratings Limited	2,017.96	May 7, 2027
2			72 Months	9.40%		3,023.11	August 7, 2028
3			72 Months	-		3,885.04	August 7, 2028

D. The Company has issued 40,00,000 Secured & Unsecured, redeemable bonds in the nature of non-convertible debentures and allotted Unsecured debentures of ₹ 15,043.21 lakhs by way of public issue pursuant to the prospectus dated September 27, 2021, the details of which are set out below:

(₹ in lakhs)

Sr. No.	Description	Date of Allotment	Tenor/ Period of Maturity	Coupon (per annum)	Credit Rating	Amount outstanding as on June 30, 2024 (₹ in lakhs)	Redemption / Maturity Date
1	Unsecured, Redeemable, Listed, Rated Non-Convertible Debentures	October 29, 2021	72 Months	9.50%	"AA-/ Stable by CRISIL Ratings Limited	3,227.47	October 29, 2027
2			87 Months	9.75%		5,748.32	January 29, 2029
3			87 Months	-		6,067.42	January 29, 2029

Penalty: The documentation executed for the non-convertible debentures with respect to the non-convertible debentures mentioned above set out penalty provisions for compliance with the provisions of the loan documents. Such provisions include, but are not limited to:

(a) Any interest/ principle being over-due will attract penal interest of 2% (two per cent) p.m. (per month) over and above the regular interest rate on the amount due for the period of delay.

Event of Default:

(i) Default in any payment of the principal amount due in respect of any Option of the debentures;

(ii) Default in any payment of any installment of interest in respect of any Option of the debentures;

(iii) Default in any payment of any other sum due in respect of any Option of the debentures;

(iv) The Company is (in the reasonable opinion of the debenture trustee or as notified by the company to the debenture trustee), or is deemed by a court of competent jurisdiction under applicable laws to be, insolvent or bankrupt or unable to pay a material part of its debts, or stops, suspends or threatens to stop or suspend payment of all or a material part (in the reasonable opinion of the debenture Trustee) of, or of a particular type of, its debts;

(v) The Company does not perform or comply with one or more of its other material obligations, covenants, conditions or provisions in relation to the debentures and/or under the disclosure documents or the debenture trust deed (*other than specifically provided hereunder this deed*), which default is incapable of remedy or, if in the reasonable opinion of the debenture trustee is capable of remedy but, not remedied within 30 (thirty) days of written notice of such default being provided to the Company by the debenture trustee;

(vi) The Company creates or attempts to create any additional charge on the secured assets or any part thereof without the prior approval of the debenture trustee.

(vii) If in the opinion of the debenture trustee, the security is in jeopardy.

(viii) An order is made or an effective resolution passed for the winding-up or dissolution, judicial management or administration of the Company, or the Company ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, re-organisation, merger or consolidation on terms approved by an special resolution of the debenture holders;

(ix) The Company commences a voluntary proceeding under any applicable bankruptcy, insolvency, winding up or other similar law now or hereafter in effect, or consent to the entry of an order for relief in an involuntary proceeding under any such law, or consent to the appointment or taking possession by a receiver, liquidator, assignee (or similar official) for any or a substantial part of its property or take any action towards its re-organisation, liquidation or dissolution;

(x) It is or will become unlawful for the Company to perform or comply with any one or more of its obligations under any of the debentures or the debenture trust deed;

(xi) Any information given by the Company in the debenture trust deed and/or the representations and warranties given/deemed to have been given by the Company to the debentures holder(s) for availing financial assistance by way of subscription to the debentures is or proves to be misleading or incorrect in any material respect or is found to be incorrect.

(xii) Any step is taken by Governmental Authority or agency or any other competent authority, with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or (in the opinion of the debenture trustee) a material part of the assets of the Company which is material to the Company;

(xiii) If the Company, shall without the previous consent in writing of the debenture trustee, make or attempt to make any alteration in the provisions of the disclosure documents which might in the opinion of the debenture trustee detrimentally affect the interests of the debentures holders and shall upon demand by the debenture trustee refuse or neglect or be unable to rescind such alteration.

(xiv) The Company without the consent of debenture trustee ceases to carry on its business or gives notice of its intention to do so; and

(xv) Any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs.

3. **Perpetual Debt Instrument as on June 30, 2024:**

The Company has issued unsecured, rated, non-convertible, listed perpetual debt instruments on a private placement basis of which ₹ 69,900 lakhs is currently outstanding as on June 30, 2024. The details of which are set out below:

(₹ in lakhs)

Sr. No.	Description	Date of Allotment	Tenor/ Period of Maturity	Coupon (per annum)	Amount outstanding as on June 30, 2024	Redemption/ Maturity	Credit Rating
						Date	
1	Unsecured, rated, non-convertible, listed perpetual debt instruments	November 30, 2008	Perpetual	12%	5,000.00	Perpetual	BRICKWORKS BWR A+ Stable and CRISIL A/ Stable
2		September 30, 2010	Perpetual		1,400.00	Perpetual	BRICKWORKS BWR A+ Stable and CRISIL A/ Stable
3		December 21, 2009	Perpetual		5,400.00	Perpetual	BRICKWORKS BWR A+ Stable and CRISIL A/ Stable

4		August 10, 2009	Perpetual		2,600.00	Perpetual	BRICKWORKS BWR A+ Stable and CRISIL A/ Stable
5		October 17, 2017	Perpetual		4,800.00	Perpetual	BRICKWORKS BWR A+ Stable
6		November 2, 2017	Perpetual		2,400.00	Perpetual	BRICKWORKS BWR A+ Stable
7		February 26, 2018	Perpetual		4,800.00	Perpetual	BRICKWORKS BWR A+ Stable
8		June 28, 2021	Perpetual		5,000.00	Perpetual	CRISIL A/ Stable
9	Unsecured, rated, non-convertible, unlisted perpetual debt instruments	August 18, 2021	Perpetual		6,000.00	Perpetual	BRICKWORKS BWR A+ Stable and CRISIL A/ Stable
10		December 20, 2021	Perpetual		2,500.00	Perpetual	BRICKWORKS BWR A+ Stable and CRISIL A/ Stable
11		July 12, 2022	Perpetual		2,500.00	Perpetual	BRICKWORKS BWR A+ Stable and CRISIL A/
12		September 23, 2022	Perpetual		2,500.00	Perpetual	CRISIL A/ Stable
13		March 03, 2023	Perpetual		5,000.00	Perpetual	CRISIL A/ Stable
14		September 26, 2023	Perpetual		5,000.00	Perpetual	CRISIL A/ Stable
15		December 05, 2023	Perpetual		10,000.00	Perpetual	CRISIL A/ Stable
16		December 22, 2023	Perpetual		5,000.00	Perpetual	CRISIL A/ Stable

4. **Subordinated Debt Instrument as on June 30, 2024:**

The Company has issued unsecured, rated, non-convertible, Subordinated Debt Instrumentson a private placement basis of which ₹50,000.00 lakhs is currently outstanding as on June 30, 2024. The details of which are set out below:

Sr. No.	Description	Date of Allotment	Tenor/ Period of Maturity	Coupon (per annum)	Amount outstanding as on June30, 2024	Redemption/ Maturity Date	Credit Rating
1	Unsecured, rated, non-convertible, unlisted subordinate	March 4, 2022	5 year 9 months 27 days	10.26%	5,000.00	December 31, 2027	BRICKWORKS BWR "AA-/ Stable. CRISIL "AA-/ Stable.
2		March 17, 2022,	5 year 9 months 13 days		5,000.00	December 30, 2027	

Sr. No.	Description	Date of Allotment	Tenor/ Period of Maturity	Coupon (per annum)	Amount outstanding as on June30, 2024	Redemption/ Maturity Date	Credit Rating
	d debt instruments						
3		July 13, 2022	6 years	10.04%	5,000.00	July 13, 2028	CRISIL "AA- Stable.
4		September 20, 2022	6 years		5,000.00	September 20, 2028	CRISIL "AA-/ Stable.
5		December 5, 2022	5 year 5 months	9.90%	5,000.00	May,05,2028	CRISIL "AA-/ Stable.
6		December 15, 2022	5 year 5 months	10.05%	5,000.00	June 15, 2028	CRISIL "AA-/ Stable.
7		February 14, 2023	5 year 5 months	10.05%	5,000.00	August 14, 2028	CRISIL "AA-/ Stable.
8	Unsecured, rated, non-convertible, listed subordinated debt instruments	August 4, 2023	69 months 28 days	10.05%	5,000.00	May 31, 2023	CRISIL "AA-/ Stable.
9		August 18, 2023	5 years 9 months	10.05%	5,000.00	May 18, 2023	CRISIL "AA-/ Stable.
10		March 01, 2024	5 years 10 months	10.05%	5,000.00	December 31, 2029	CRISIL "AA-/ Stable.

Details of Commercial Paper as on June 30,2024-

(₹ in lakhs)

Series of NCS	ISIN	Tenor / Period of Maturity	Coupon	Amount Outstanding	Date of Allotment	Redemption date / Schedule	Credit Rating	Secured / Unsecured	Security	Other Details viz. details of issuing and paying agent, details of credit rating agencies
1.	INE549K14BO9	364	9.75	10,000	24.05.2024	23.05.2025	Crisil A1+ stable	Unsecured	NIL	IndusInd Bank Ltd
2.	INE549K14BO9	364	9.75	2,500	24.05.2024	23.05.2025	Crisil A1+ stable	Unsecured	NIL	IndusInd Bank Ltd

Inter-Corporate Loans, Deposits and other borrowings

Please see "—*Details of loans/guarantees given to and loans/advances from related parties outstanding as of June 30, 2024*" on page 160.

Loan from Directors and Relatives of Directors

Our Company has not raised any loan from directors and relatives of directors as on June 30, 2024.

Servicing behaviour on existing debt securities, payment of due interest on due dates on financing facilities or debt securities

Our Company confirms that there has not been any servicing behaviour on existing debt securities as on the date of this Shelf Prospectus.

Details of bank fund based facilities/ rest of borrowings (if any, including hybrid debt like such as foreign currency convertible bonds (FCCB), optionally convertible debentures/ preference shares) from financial institutions or financial creditors as on June 30, 2024.

Our Company has not taken any fund based facilities including hybrid debt such as foreign currency convertible bonds (FCCB), optionally convertible debentures/ preference shares) from financial institutions or financial creditors as on June 30, 2024.

Corporate Guaratee Issued by our Company

Nil

Letter of Comfort issued by our Company

In the preceding three financial years and under the current year our Company has not issued any letter of comforts.

Restrictive covenants under the financing arrangements:

Our financing agreements include various restrictive conditions and covenants restricting certain corporate actions and our Company is required to take the prior approval of the debenture trustee before carrying out such activities. For instance, our Company, inter-alia, is required to obtain the prior written consent in the following instances:

1. Permit any change in the management or constitution documents of the Company;
2. Create any further charge, lien or encumbrance over the assets and properties of the Company;
3. Effect any changes to the shareholding of the Company to the effect that it changes the management control of the Company;
4. Make any investments by way of deposits, loans, advances or investments in share capital or otherwise, in any concern or provide any credit or give any guarantee, indemnity or similar assurance other than in normal course of business;
5. revalue its assets;
6. pay any commission to its promoters, directors, managers or other persons for furnishing guarantees, counter guarantees or indemnities or for undertaking any other liability m connection with any Financial Indebtedness incurred by the Company or in connection with any other obligation undertaken for or by the Company or undertake any guarantee obligations except in normal course of business;
7. induct on its Board a person whose name appears in the list of wilful defaulters (in accordance with the extant guidelines issued by the RBI) and if such a person is found on its Board. it shall take expeditious and effective steps for removal of the person from its Board;
8. buy back, cancel, retire, reduce, redeem, re-purchase, purchase or otherwise acquire any of its share capital now or hereafter outstanding, or set aside any funds for the foregoing purposes, issue any further share capital whether on a preferential basis or otherwise or change its capital structure in any manner whatsoever that may result in change in promoter or the promoter losing Control.

A. Details of any outstanding borrowings taken/ debt securities issued where taken/ issued (a) for consideration other than cash, whether in whole or in part, (b) at a premium or discount, or (c) in pursuance of an option as on June 30, 2024

Nil

B. Details of rest of borrowings if any, including hybrid debt instruments such as foreign currency convertible bonds or convertible debentures and preference shares as on June 30, 2024

Nil

C. Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities, commercial paper (including technical delay) and other financial indebtedness including corporate guarantee or letters of comfort issued by the Company, in the past three financial years and the current financial year.

As on the date of this Shelf Prospectus, there has been no delay or default in payment of principal or interest of any kind on term loan, debt security issued by the Issuer, and other financial indebtedness including corporate guarantee issued by the Issuer, in the past three financial years and current financial year. Further, the Company did not have any liability in respect of deposits or preference shares dividend or commercial paper interest / discounts (including technical delay) or the Company has not issued any letter of comfort and/or corporate guarantee during the previous three financial year and current financial year.

D. As on the date of this Shelf Prospectus, there have been no default and non-payment of undisputed statutory dues for the three preceeding financial year and current financial year. For further details, please refer "*Other Regulatory and statutory Disclosures - Details of any other contingent liabilities of the issuer based on the last audited financial statements including amount and nature of liability*" on page 261

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND DEFAULTS

The Company is subjected to various legal proceedings from time to time, mostly arising in the ordinary course of its business. The legal proceedings are initiated by us and also by customers, past employees and other parties. These legal proceedings are primarily in the nature of (a) consumer complaints, (b) criminal complaints, and (c) civil suits. We believe that the number of proceedings in which we are involved is not unusual for a company of our size in the context of doing business in India.

As on the date of this Shelf Prospectus, except as disclosed below, there are no failures or defaults to meet statutory dues, institutional dues and dues towards instrument holders including holders of debentures, fixed deposits, and arrears on cumulative preference shares, etc., by the Company.

For the purpose of disclosures in this Shelf Prospectus, our Company has considered the following litigation as 'material' litigation:

- *all pending proceedings whether civil, arbitral, tax related litigations, or otherwise, of value exceeding more than 1% of our profit after tax as on March 31, 2024, i.e. more than ₹ 562.81 lakhs*;*
  ** Our subsidiary MML is a listed company. The board of the subsidiary has fixed its materiality threshold by way of their materiality policy at ₹ 163.89 lakhs i.e. 1% of their profit after tax as per their restated financial statements for the year ended March 31, 2023.*
- *any other outstanding legal proceeding which is likely to have a material adverse effect on the financial position, profitability and cash flows of our Company (Excluding Muthoot Microfin Limited,, which has its own materiality threshold as provided below) which may affect the issue or the investor's decision to invest/continue to invest in the debt securities.*

Save as disclosed below, there are no:

1. *outstanding civil or tax proceedings involving the Company, Promoters, Subsidiaries and Directors in which the pecuniary amount involved is in excess of the materiality threshold;*
2. *litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against the Promoter of the Company during the last three years immediately preceding the year of the issue of this Shelf Prospectus and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action;*
3. *litigation involving the Company, Promoter, Directors, subsidiaries, group companies or any other person, whose outcome could have material adverse effect on the financial position of the Company, which may affect the issue or the investor's decision to invest/continue to invest in the debt securities;*
4. *outstanding criminal proceedings filed by or against the Company, its Promoters, its Subsidiaries and Directors and Group Companies.*
5. *pending proceedings initiated against the Company for economic offences and default; and*
6. *inquiries, inspections or investigations initiated or conducted under the Securities laws or Companies Act or any previous companies' law, prosecutions filed, if any (whether pending or not); and fines imposed or offences compounded or reservations, qualifications or adverse remarks of the auditors of the Company in the last three years immediately preceding the year of issue of this Shelf Prospectus against the Company and all of its Subsidiaries.*
7. *material frauds committed against our Company in the preceding three financial years and current financial year.*

I. <u>Litigations by and against the Company</u>

A. Litigations against the Company

Criminal Proceedings

1. Sholly Rajan ("**Complainant**") had filed a petition under Section 451 of CrPC before the Judicial First Class Magistrate, Ernakulam, against the area managers of our Mattanchery and Kalamaserry branches for the interim custody of gold seized by the police, which was taken from the Complainant on account of cheating and pledged with our Company by an alleged accused. The matter is currently pending.

Material Civil Proceedings

1. Our Company has initiated recovery actions under the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 against Samson & Sons Builders and Developers Private Limited for the loan availed by the latter amounting to ₹ 735 lakh. Against the said actions, Ms. Mary Koshy & others, the persons who are the previous owners of one of the secured assets, have filed a Securistization Application against our Company before the Debt Recovery Tribunal, Ernakulam, which was dismissed. Subsequently they appealed before Debt Recovery Appellate Tribunal ("**DRAT**"), Chennai. The appeal was dismissed by the DRAT. The same has now been challenged before the High Court of Kerala in WP No. 22192 of 2019 and the matter is pending.

2. Our Company had advanced a loan of ₹ 2,500 lakhs to Prabhushanti Real Estate Private Limited (*"***Borrower**") against the securities shared with Tamil Nadu Mercantile Bank ("**TMB**") on pari passu basis. Since the said borrower has defaulted in payments, our Company along with TMB has initiated recovery proceedings under the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 by issuing a demand notice. However, before the possession could be taken, AU Small Finance Bank Ltd initiated insolvency proceedings against the Borrower which stood as guarantor and mortgaged some of its properties to a facility granted by the said bank to one educational trust in the same group. A Resolution Professional ("**RP**") is appointed in the matter and the insolvency resolution proceedings are on. The Company and TMB have joined the IBC proceedings along with other lenders. As the Corporate Insolvency Resolution Process ("**CIRP**") period ended and the Institutional Financial Creditors voted for liquidation of the Borrower i.e., Prabhushanti Real Estate Private. However, the resolution for liquidation was not adopted as the home buyers who have a majority voting in the Committee of Creditors cast a negative vote. The flat buyers have filed an application in NCLT Delhi seeking to revise their claim amount by including the accrued interest on the amounts paid by them. NCLT Delhi has disposed of the matter vide orders dated May 1, 2024 and has directed the RP to decide on the matter.

   NCLT Delhi.*vide* order dated April 5, 2023 ordered the substitution of the RP in this matter as the registration of the RP was suspended by IBBI. NCLT Delhi further appointed an interim officer on special duty for conduct of a special Committee of Creditors ("**COC")** meeting for nomination of the new RP. The new RP conducted a further COC meeting on May 30, 2023 to examine the Resolution Plan put forth by the flat buyers and to seek extension of CIRP period by another 9 days besides seeking exclusion of the litigation period from the CIRP period. Pursuant to the COC meeting, the RP filed applications before NCLT Delhi seeking the above reliefs. These applications were allowed by NCLT Delhi. Pursuant to RP issuing fresh notice in Form G, two Exprssion of Interests ("**EOI(s)**") were received.

3. Our Company had taken physical possession of the property of Dr. P Mahalingam, mortgaged in favour of MFL as security to the loan sanctioned to Santosh Hospital Private Limited, under the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 for an amount of ₹3,900 lakhs and accrued interest. Santosh Hospitals approached the Hon'ble High Court, Chennai under writ petition challenging the actions taken by the Company under SARFAESI Act, including the physical possession of the hospital taken through the court commissioner. The said writ petition got dismissed. Thereafter, Santosh Hospitals Pvt Ltd filed securitization application before DRT, Chennai challenging the action of taking possession of the secured asset by MFL which also stands dismissed. Thereafter, Santosh Hospitals Pvt Ltd has filed Insolvency proceedings under Insolvency Bankruptcy Code before NCLT, Chennai and Interim Resolution Professional was appointed in the matter. The Interim Resolution Professional demanded MFL to handover the possession of the assets taken by MFL under SARFAESI and the same is objected by MFL contending that the said assets do not belong to the corporate debtor. NCLT Chennai has since ordered liquidation of the said corporate debtor and is yet to dispose of the MA 363/2019 filed by the erstwhile interim resolution professional. The Liquidation orders dated December 4, 2019 was challenged in an appeal before NCLAT Delhi. Further, NCLAT Delhi dismissed the two appeals filed by Dr. Mahalingam on February 14, 2022. The said Dr. Mahalingam has challenged the orders dated February 14, 2022 in SLP in Supreme Court. Supreme court ordered status quo in May 2022. After several hearings/adjournments SC passed an Interim Orders on 16.12.2022 allowing Dr Mahalingam to utilize the Hospital Building for running the hospital, without infringing the rights of any of the parties. MFL filed an application for the vacation of the said Interim orders in July 2023. The matter posted on August 23, 2023 was adjourned for four weeks at the request of the petitioner. The matter is currently under the final hearing list and the next hearing is scheduled on August 22, 2024.

4. Our Company had advanced a loan of ₹ 700 lakhs to Ganga Foundations Private Limited (*"***Borrower**") against one security held in the name of the company and two other securities in the name of the guarantors. Since the said borrower has defaulted in payments, our Company initiated recovery proceedings under the Securitisation and

Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 and took possession of the securities. SBI had also funded certain other projects of the said Ganga Foundations Pvt Ltd, called Spectrum Mall. SBI initiated insolvency proceedings against the Borrower. The Company joined the COC along with other lenders. As the Corporate Insolvency Resolution Process ("**CIRP**") period ended and SBI, the Institutional Financial Creditor having about 74 % voting rights, voted against the Resolution Plan submitted by a sole Resolution Applicant, the borrower went into liquidation. MFL stood outside the Liquidation and did not surrender the securities held in the name of the borrower to form part of the Liquidation estate. Despite the above the Liquidator claimed contributions towards the CIRP and Liquidation costs. MFL sought certain clarifications such as the details of the expenses and the reasons as to why the same were not met out of the income of the CD being the rent collected from the tenants in the Spectrum mall. The Liquidator arbitrarily and unilaterally included the security in the name of the CD held by MFL in the Liquidation Estate, and sought surrender of the same. Upon MFL refusing to do so, The Liquidator filed an application in NCLT Chennai seeking a direction to MFL to surrender the security. We have filed counter. The matter is pending. The next date of hearing is scheduled at September 5, 2024.

Economic Offences

Details of pending proceedings initiated against the issuer for economic offences:

NIL

B. Litigations by the Company

Criminal Proceedings

1. Our Company has moved before the Hon'ble High Court of Kerala ("**Kerala HC**") to quash the proceedings of the protest complaint filed by Ms. Nusaiba Haneef for production of gold ornaments before the Magistrate Court under section 94 of the Code of Criminal Procedure, 1973. The gold was previously seized by the police, which was subsequently released to our Company. The amount involved in the transaction sums up to ₹ 6.77 lakh. While the case has been disposed off by the Kerala HC, the matter is pending before the Magistrate Court.

2. Our Company has moved before the Kerala HC to quash the proceedings of the protest complaint filed by Ms. Subaida for production of gold ornaments before the Magistrate Court under section 94 of the Code of Criminal Procedure, 1973. The gold was previously seized by the police, which was subsequently released to our Company. The amount involved in the transaction sums up to ₹ 4.18 lakh. While the case has been disposed off by the Kerala HC, the matter is pending before the Magistrate Court.

3. Our Company has filed a petition before the Judicial First-Class Magistrate Court against Shine Mon, a customer, for cheating. The customer had availed a loan of ₹0.27 lakh against the security of certain ornaments, the ownership of which was claimed by third party and a cheating case was also filed by such third party against the customer.

4. Mr. Jibu V. Stephen, the accused has pledged gold with our Company which was seized by police in a cheating case. The court had acquitted the accused and had ordered to release the said 39.5 gm gold to him against which our Company had moved before the Kerala HC. An appeal has been filed by the accused before the Principal District and Sessions Judge, Kottayam. The next date of hearing is scheduled on November 1, 2024.

5. Our Company had filed an appeal in the Session Court, Mavelikkara against the order of the magistrate Court in dismissing application filed by our Company for returning gold valuing ₹ 27.7 lakh on conclusion of trial.

6. Our Company has filed a writ petition 4332/2021 before the Hon'ble High Court of Kerala at Ernakulam ("**High Court**"), against the notice issued by 1st Respondent being Station house officer seeking seizure of gold ornaments worth ₹ 14.41 lakhs pledged with our Company by the 3rd respondent (Shihabudeen P.V.). The 2nd respondent (Dr. Jussalla) had filed a complaint claiming the ownership of gold ornaments which were handed over to 3rd respondent for invocation of magical remedy. However, it is the case of our Company that the pledges made by 3rd respondent were prior to the date of alleged handing over of ornaments by 2nd respondent to 3rd respondent and even in the case of one pledge after the alleged handing over of the ornaments also does not contain any ornaments matching the description provided by the de facto complainant. The High Court vide order dated June 15, 2023 disposed the writ petition. In accordance with the order, the Company is at liberty to move an application under Section 451 of Cr.P.C. for the release of the gold ornaments. Criminal proceedings under Section 420 of the Indian Penal Code, 1860.

7. Our Company has filed numerous complaints, FIRs and cases of fraud and cheating against customers on account of loan defaults, theft, fraud in relation to pledging of spurious gold/cash embezzlement, and against employees on account of cheating, forgery, criminal breach of trust, misrepresentation, and wrongful gain under *inter alia* Sections 342, 365, 387 397, 392, 380, 420 of the Indian Penal Code, 1860 ("**IPC**"). As of the date of this Shelf Prospectus, there are 412 such matters pending before various courts related to instances of theft and fraud in relation to pledging of spurious gold/cash embezzlement aggregates to ₹ 358.38 lakhs.

8. Company has filed numerous complaints under Section 156(3) of the Code of Criminal Procedure, 1973 read with Section 420 of the Indian Penal Code, 1860 for cheating. As of the date of this Shelf Prospectus, there are 705 such matters pending before various courts related to instances of cheating and the amount involved in such matters aggregates to ₹ 12.77 lakhs.

Civil Proceedings

1. Our Company has on October 22, 2020 filed a writ petition bearing no. W.P. (C) No. 22768/ 2020 before the Hon'ble High Court of Kerala against Union of India & others. The Writ Petition has been filed in relation to the directions issued by RBI (RBI/2020-21/20 DOR No. BN.BC/7/21/04.048/2020-21) dated August 06, 2020 ("**Circular**") which directs scheduled commercial banks and payment banks not to open or maintain current accounts for customers who have availed credit facilities in the form of cash credit ("**CC**")/ overdraft ("**OD**") from the banking system and that all transactions are required to be routed through the CC/OD account. Our Company has *inter alia* prayed that RBI should issue clarification on implementation and enforcement of the Circular in light of the representations made by our Company to RBI and SBI and to SBI to seek clarifications on the points urged in representations made to SBI. Further, it has also been prayed that the implementation of Circular, in so far as our Company is concerned, should be kept pending the disposal of the Writ Petition. The Hon'ble High Court of Kerala has disposed of the said Writ Petition on April 9, 2021 wherein SBI was directed to consider the matter and to arrive at a workable solution in 6 months, failing which, SBI was directed to approach RBI. In the meantime, since other banks (where the Company has current accounts for its branches) have issued communications to close such accounts in view of the RBI circular and since SBI was already considering a process for devising an alternate solution to address the issues and such closure of accounts would have been detrimental to the interest of the Company, the Company has filed another Writ Petition before the Hon'ble High Court bearing W. P (C) No. 14854 / 2021 making all the banks party and seeking for the intervention of the court. The Hon'ble court was pleased to order status current account and the next hearing date is December 10, 2021. In the meantime, RBI has issued another circular RBI/2021-22/116 DOR.CRE.REC.63/21.04.048/2021-22 dated October 29, 2021 wherein opening of current accounts have been permitted with one bank which has more than 10% of banking exposure in the Company. Accordingly, the Company has approached SBI and process of opening such current accounts for its branches with SBI is on.

   For further information, see "*Risk Factors – Risk Factor #1 – Scheduled commercial banks and payment banks have been directed not to open and maintain current accounts for customers who have availed credit facilities in the form of cash credit (CC)/overdraft (OD) from the banking system. Implementation of the aforesaid direction without providing alternate mechanism for financial institutions transacting with scheduled commercial banks and payment banks to withdraw and deposit cash may adversely affect our business, results of operations and financial Condition.*" on page 19.

Cases filed by the Company under Section 138 of the Negotiable Instruments Act, 1881

Our Company has filed various complaints against former employees of our Company under Section 200 of the CrPC read with Sections 138 and 142 of the NI Act. As of the date of this Shelf Prospectus, there are 105 such complaints pending before various Magistrate courts in Kerala. The total amount involved in such cases is approximately ₹ 59.55 lakhs.

Other Proceedings

Tax litigations involving our Company

1. The Company had filed a Writ Petition before the Honourable High Court of Madras on 30th July, 2019 challenging the Order passed by the Income Tax Settlement Commission, Chennai Bench abating the proceedings before it relating to the Settlement Application filed by the Company dated December 17, 2017 ("**Settlement Application**"); and praying for stay on proceedings initiated by the Joint Commissioner of Income Tax (OSD), Central Circle, Thiruvananthapuram post abatement of proceedings by the Settlement Commission. The tax and

interest due on the issues forming part of the Settlement Application totaled to ₹ 7,406 lakh. The Settlement Application related to notices received under Section 148 for Assessment Year 2010-11, Section 147 of the Income Tax Act, as per which the income chargeable to tax for the Assessment Years 2011-12 to 2016-17 of MFL has not been assessed, and Section 153A of the Income Tax Act, as per which MFL was required to prepare true and correct return of which MFL was assessable for the Assessment Years 2011-2012 to 2016-2017 and for Assessment Year 2017-18, assessment of which was deemed to be pending by virtue of explanation (iv) to Section 245A(b) as on date of filing the settlement application. The Honourable High Court of Madras has dismissed the petition filed by the Company on June 29, 2022 on the ground that the cause of action of the matter has arisen fully in Kerala and not within the territorial jurisdiction of the Honourable Madras High Court, thereby ousting its jurisdiction to entertain the petition. Accordingly, Company filed a writ petition before the High Court of Kerala, wherein the High Court passed an order on April 03, 2023 directing the interim board for settlement to reconsider the settlement application and to start afresh. The Interim Board of Settlement has passed an order dated November 15, 2023 opining on the settlement of income under the matter along with the interest to be charged and granting immunity to MFL from prosecution and penalty imposed under the Income Tax Act. The Deputy Commissioner of Income Tax, Central Circle, Thiruvananthapuram has passed Orders giving effect to the Order of the Honorable Interim Board for Settlement for the Assessment Years 2010-11 to 2017-18 with demands aggregating to ₹.13,892.97 lakhs and refunds aggregating to Rs.4,675.93 lakhs. The Company evaluated the Orders passed and identified incorrect computations which has been intimated to the Central Circle, Thiruvananthapuram.

2. The Joint Commissioner of Income Tax/Special Range/Trivandrum had raised a demand notice for AY2010-11 aggregating to ₹ 1728.50 lakh on our Company on the alleged grounds that the Company failed to deduct tax on entire payments made to Muthoot Pappachan Consultancy and Management Services, including reimbursement of expenses made towards the employees of the said firm. The stance of the Company was that the tax deducted at source is required to be made only on professional fees paid to the said firm and not on reimbursement of expenses. The Company had remitted ₹ 265 lakh in FY16-17 against the demand. Collection of the balance demand has been stayed by the ACIT/Circle 1(1)/Trivandrum vide order dated July 21, 2016, pending disposal of appeal by the CIT (Appeals), Trivandrum. Subsequently, the Company was required to pay an additional 5% of the demand amounting to ₹ 80.75 lakh for continuation of stay of demand, which was remitted by the Company on September 30, 2022 and stay of balance demand was granted vide order of the ACIT/Central Circle/Trivandrum dated October 4, 2022.

3. The Joint Commissioner of Income Tax/Special Range/Trivandrum had raised a demand notice aggregating to ₹2,065.20 lakh for AY2013-14 alleging that our Company had not furnished Form 15G/H from the debenture holders for the interest paid to them as well as disallowing reimbursement of expenses made to Muthoot Pappachan Consultancy and Management Services for non-deduction of tax at source. ₹ 1,188.51 lakh was adjusted against refunds due to our Company and ₹ 135 lakh was remitted by our Company in FY2016-17 against the said demand. Collection of demand has been stayed by the ACIT/Circle 1(1)/ Trivandrum vide order dated July 21, 2016, pending disposal of appeal by the CIT (Appeals), Trivandrum. Subsequently, the Company was required to pay an additional 5% of the demand amounting to ₹ 40.35 lakh for continuation of stay of demand, which was remitted by the Company on September 30, 2022 and stay of balance demand was granted vide order of the ACIT/Central Circle/Trivandrum dated 04/10/2022.

4. The Assistant Commissioner of Income Tax, Trivandrum had raised a demand notice for payment of tax deducted at source (“**TDS**”) for alleged short-furnishing of details of Form 15G/H collected from customers pertaining to AY2015-16 with a demand aggregating to ₹3,860.60 lakh. A total of ₹ 786.9 lakh for stay of demand was remitted and an appeal before the Commissioner of Income Tax (Appeals)/Trivandrum was filed. The Commissioner of Income Tax (Appeals)-3, Kochi, has vide order dated December 10, 2021, partly allowed the appeal for the AY2015-16 by directing the Assessing Officer to reconsider the demand made. Accordingly, vide order dated February 11, 2022, the original demand was modified and quantified at ₹ 270.37 lakhs by the Deputy Commissioner of Income Tax (TDS), Trivandrum. The Company has filed a rectification application for giving credit to amounts remitted during the course of the proceedings which has been denied by the Assessing Officer in the last Order issued. The Department had filed an Appeal before the ITAT, Cochin bench against the order passed by the Commissioner of Income Tax (Appeals)-3, Kochi. The ITAT, Cochin bench has passed an order dated August 4, 2022 received by the Company on November 5, 2022, remanding the matter to the files of CIT (Appeals) for giving an opportunity to the Assessing Officer for providing additional details.

5. The Service Tax department had raised demands on certain revenues of our Company for the periods prior to FY12-13. Out of the total demand of ₹ 1,263.21 lakh, the Company had remitted ₹ 384.69 lakhs, the balance of which is pending as disputed. The Commissioner of Central GST & Central Excise vide Order dated October 31,

2017 confirmed a demand of Rs.1,051.71 lakh, appropriated the amount paid of ₹ 384.69 lakhs and imposed a penalty of ₹ 784.56 lakhs The pending demand relates to the assignment of receivables, wherein the department has stated that the entire receipts are liable to tax. The Company, based on opinions received from its consultants has filed its appeal before the Customs Excise and Service Tax Appellate Tribunal ("**CESTAT**"), Bangalore, which is pending hearing. Pre-deposit fee of ₹ 50 lakh has been remitted.

6. The Service Tax department had raised demands on our Company on notional consideration arrived on support services provided by the Company to its group concerns aggregating to ₹2,132.10 lakh (including penalty of ₹846.34 lakh). The demand also consisted of disallowance of Central Value Added Tax ("CENVAT") credit. The Company had availed CENVAT credit pertaining to 5 years together in FY 2012-13. Citing that the credit was reported in the returns as Opening balance and not as credit availed during the period, the department has sought to disallow the entire credit, stating that the returns did not show any closing balance of credit as at the end of FY2011-12. Our Company, based on opinions received from its consultants have filed its appeal before the Customs Excise and Service Tax Appellate Tribunal ("**CESTAT**"), Bangalore, which is pending hearing. ₹ 96.60 lakh has been paid as pre-deposit fee.

7. The Commissioner of Central GST & Central Excise has issued Order-In-Original No. TVM-EXCUS-000-COM-04-20-21 dated August 28, 2020 (issued on September 3, 2020) and TVM-EXCUS-000-COM-05-20-21 dated August 28, 2020 (issued on September 3, 2020) ("Order"), demanding tax amounting to ₹264.34 lakhs and ₹571.94 lakhs and interest thereon, and penalty amounting to ₹264.44 lakhs and ₹57.29 lakhs for the periods 2014-15 to 2016-17 and for the period April 2016 to June 2017 respectively relating to taxability of the amount received as collection agent towards assignment of loan receivables. The demand has been made on the ground that the activity of selling loan portfolios to other financial institutions is taxable and that the differential interest between the interest payable to the assignee and the interest charged to the borrowers is service charges, and hence is liable to tax under Section 66B of the Act. The Company has filed an appeal before the Honorable CESTAT, Bangalore on December 30, 2020.

8. The Deputy Commissioner of Commercial Taxes (Audit) ("**DCCT**") had issued an order dated December 19, 2023 demanding tax aggregating to ₹ 13,045 lakhs and subsequently issued a revised order dated December 26, 2023 demanding tax aggregating to ₹776.18 lakhs, including interest thereon, and penalty for the period July 2017 to March 2018, alleging short declaration of outward supply, short payment of output tax excesses claim of outward supplies as exempted and nil GST supply and non-payment of output tax, short declaration on reverse charge mechanism in GSTR-3B. The Company is in the process of filing an appeal. The Company has filed an appeal dated March 28, 2024 against the Order before the Joint Commissioner of Commercial Taxes (Appeals-5).

9. The Assistant Commissioner, Arumbakkam has vide Order passed u/s. 73 of the CGST / TNGST Act, 2017 dated May 24, 2024 demanded tax of ₹566.13 lakhs along with interest and penalty aggregating to ₹530.11 lakhs alleging claim of excess / ineligible input tax credit by the Company. The Company has filed an appeal against the order on July 2, 2024.

II. <u>Litigations involving the Directors</u>

Civil proceedings involving any director of the Company

1. M. Mathew has filed a suit before the district court at Kottayam, against the Muthoot Pappachan Group and others alleging infringement of the trademark "MUTHOOT". The mark "MUTHOOT" has been registered as a trademark by M. Mathew, Chairman and Managing Director of Muthoot Mercantile Limited. Thomas John Muthoot, Thomas George Muthoot and Thomas Muthoot on behalf of "Muthoot Pappachan Group", have contended that "Muthoot" is a family name and they have the right to use the same for their business and also that the Muthoot Pappachan Group was using the same much prior to M. Mathew. The matter is currently pending.

2. Thomas John Muthoot, Thomas George Muthoot and Thomas Muthoot have filed an application before the Intellectual Property Appellate Board, Chennai ("**IPAB**"), to remove/cancel/rectify the trademark "MUTHOOT". The mark "MUTHOOT" has been registered as a trademark by M. Mathew, Chairman and Managing Director of Muthoot Mercantile Limited. After the abolition of IPAB, the matter has been transferred to the High Court of Madras and is currently pending before the High Court.

Criminal proceedings involving any director of the Company

1. The service tax department has initiated prosecution against Thomas John Muthoot consequent to a tax claim made on another concern. Technically such prosecution will not lie as no claim was made by the department against Thomas John Muthoot. Also, all actions on the assessment made by the department are currently stayed by the appellate tribunal. However, based on a departmental circular, wherein it is mentioned that they can even initiate criminal action in cases which are stayed by the Tribunal, the department has initiated prosecution before the Chief Judicial Magistrate, Kochi. However, the same is challenged before the high court and the court was pleased to grant a stay in the matter.

2. Legal Metrology Department had filed a complaint under the sections 190 and 200 of the Criminal Procedure Code before the Judicial First Class Magistrate Court, Manjeri against the Company in 2019. Thereafter summons was issued to the Directors of the Company as well. The offence alleged is that lesser weight is mentioned in the pledge card as against the original weight and hence the allegation is that the customer will get cheated since the company is liable to return only the weight mentioned in the pledge card. However, in reality we mention both the gross and net weight of the ornaments and for the purpose of considering the weight of ornaments for pledge we rely upon the net weight which is after nominal deduction towards impurities and / stones. As the allegation is baseless. We have moved the Kerala High Court for quashing the proceedings and the matter has been stayed. The stay was extended by an interim order dated February 19, 2020. Our Company has filed a counter petition before the Judicial First Class Magistrate, Manjeri for quashing of the complaint filed by the Senior Inspector. The matter is currently pending.

3. Abdul Kahder ("**Complainant**") filed an FIR on April 28, 2016 under Sections 457 and 380 of the Indian Penal Code for recovery of gold ornaments that were allegedly stolen from his residence. The charge sheet on the matter was submitted by an investigating officer before the Chief Metropolitan Magistrate, Hyderabad on September 16, 2020 against Mohammed Sameer for allegedly stealing the gold ornaments and mortgaging the same with MFL, which were subsequently sold through an auction. This matter is currently pending. Subsequently we have filed W.P. No. 536/20 and procured favourable order whereby CMD and BM are dispensed from attendance of trial court proceedings on filing appropriate application. This matter is currently pending.

4. Complainant third party Mr. Ranjith C H filed private complaint against CMD and MFL staff in CMM court Secunderabad, Court directed Police station Marredpally to register crime and investigate. We have filed petition to quash the FIR against CMD and staff wide CRLP Nos. 15856 /14 and 15830 /2014 and have obtained stay. Both CRLP's are pending for final hearing.

Tax proceedings involving any director of the Company

Tax related disputes

1. Thomas John Muthoot

Sr. No.	Assessment Year	Amount Involved (₹)	Nature of Demand	Status
1.	2005-06	1,37,05,006	Penalty under Section 271 C of the Income Tax Act.	Penalty was dismissed by ITAT Kochi vide order dated September 24, 2014. The Income Tax Department had gone on appeal before the Honourable High Court of Kerala. The High Court of Kerala allowed the appeal filed by the department. In this regard, Special Leave Petition has been filed by the assessee and the same has been admitted by the Supreme Court of India.
2.	2005-06	7,43,50,423	Order under Section 143(3) and disallowance under Section 40(a)(ia) of the Income Tax Act.	The appeal was dismissed by the ITAT Kochi and the Honourable High Court of Kerala by orders dated August 28, 2014 and July 03, 2015 respectively. In this regard, the assessee has filed a special leave petition in the Supreme Court of India and the same has been admitted by the Supreme Court.
3.	2006-07	70,49,302	Penalty under Section 271C of the Income Tax Act.	The Honourable High Court of Kerala by way of order dated July 03, 2015 allowed the appeal filed by the Revenue against order of the ITAT. In this regard, the assessee has filed a Special Leave Petition in the Supreme Court of India and the same has been admitted.

Sr. No.	Assessment Year	Amount Involved (₹)	Nature of Demand	Status
4.	2006-07	3,56,55,872	Order under Section 143(3) and disallowance under Section 40(a)(ia) of the Income Tax Act.	The appeal was dismissed by the ITAT Kochi and the Honourable High Court of Kerala by orders dated August 28, 2014 and July 03, 2015 respectively. Special Leave Petition has been filed by the assessee in this regard and the same has been admitted by Supreme Court of India.
5.	2007-08	69,09,500	Penalty under Section 271 C of the Income Tax Act.	Penalty was dismissed by ITAT Kochi vide order dated September 24, 2014. The Income Tax Department had gone on appeal before the Honourable High Court of Kerala. The High Court of Kerala allowed the said appeal (order dated February 02, 2015). In this regard, the assessee has filed a Special Leave Petition and the same has been admitted by Supreme Court of India.
6.	2007-08	3,04,68,287	Order under Section 143(3) and disallowance under Section 40(a)(ia) of the Income Tax Act.	The appeal was dismissed by the ITAT Kochi and the Honorable High Court of Kerala by orders dated August 28, 2014 and July 03, 2015 respectively. Special Leave Petition has been filed by the assessee in this regard and the same has been admitted by Supreme Court of India.
7.	2008-09	8,37,750	Order under Section 143 (3) of the Income Tax Act.	Appeal before CIT (Appeals) / Kochi was dismissed by Order of The CIT(Appeals)-3/Kochi dated November 20, 2023. An appeal has been filed before the ITAT, Kochi.
8.	2009-10	16,97,280	Order under Section 143 (3) of the Income Tax Act and disallowance under Section 40(a)(ia) of the Income Tax Act.	ACIT /Circle -I /Tvla completed the Assessment making a disallowance of ₹ 46.78 lakhs u/s 40(a) (ia). Appeal against this order was dismissed by CIT(A)/, Kottayam, dated December 12, 2015. Appeal against this order was filed in the Income Tax, Appellate Tribunal, Cochin bench, Cochin. The same was dismissed by way of order dated April 28, 2016. Appeal against the said order was filed in the High Court of Kerala at Ernakulam. The said appeal has been dismissed by the High Court of Kerala vide its order dated July 13, 2016. SLP filed before the Hon. Supreme Court.
9.	2011–12	69,73,170	Tax under Section 143(3) of the Income Tax Act and penalty under Section 271(1)(c).	The Appeal was dismissed by Order of the CIT(Appeals)-3/Kochi dated November 20, 2023. An appeal has been filed before the ITAT, Kochi.
10.	2012-13	1,63,72,070	Order u/s 143(3) - disallowance u/s 14 A	The Appeal was dismissed by Order of the CIT(Appeals)-3/Kochi dated November 20, 2023. An appeal has been filed before the ITAT, Kochi.
11.	2013-14	-	Order u/s 143(3) - disallowance u/s 14 A	The Appeal was dismissed by Order of the CIT(Appeals)-3/Kochi dated November 20, 2023. An appeal has been filed before the ITAT, Kochi.
12.	2014-15	1,50,76,100	Order u/s 143(3) rws 153A of the Income Tax Act (Block Assessment)	Appeal filed was dismissed by Order of the CIT(Appeals)-3/Kochi dated November 20, 2023. An appeal has been filed before the ITAT, Kochi.
13.	2015-16	2,15,71,830	Order u/s 143(3) rws 153A of the Income Tax Act (Block Assessment)	Appeal filed was dismissed by Order of the CIT(Appeals)-3/Kochi dated October 31, 2023. An appeal has been filed before the ITAT, Kochi.

Sr. No.	Assessment Year	Amount Involved (₹)	Nature of Demand	Status
14.	2016-17	-	Order u/s 143(3) rws 153A of the Income Tax Act (Block Assessment)	Appeal filed was dismissed by Order of the CIT(Appeals)-3/Kochi dated October 31, 2023. An appeal has been filed before the ITAT, Kochi.
15.	2017-18	-	Order u/s 143(3) rws 153A of the Income Tax Act (Block Assessment)	Appeal filed was dismissed by Order of the CIT(Appeals)-3/Kochi dated October 31, 2023. An appeal has been filed before the ITAT, Kochi.
16.	2020-21	16,74,02,536	Order under Section 143 (3) rw Order under Section 154 of the Income Tax Act.	The Appeal was dismissed by Order of the CIT(Appeals)-3/Kochi dated October 31, 2023. The Company filed a writ petition bearing case no. WP(C) No. 10359 of 2024 before the High Court of Kerala. The court allowed the writ petition vide order dated 14 March 2024 directing the Appeallate Authority to pass fresh orders after affording to the petitioner an opportunity to be heard and the matter is currently pending.

2. Thomas George Muthoot

Sr. No.	Assessment Year	Amount Involved (₹)	Nature of Demand	Status
1.	2003-04	1,69,23,912	Demand under Section 30 of the Wealth Tax Act, 1957	Appeal was disposed off by CIT (Appeals) 3/ Kochi by order dated 28/09/2023 confirming the fair market value of the properties arrived at by the AO in the Remand Report. The proceedings of the AO giving effect to the above order has been received. Appeal filed before the ITAT has been disposed off vide Order dated 28/05/2024 directing the assessing officer to rework the fair market value as per directions in the Order, which is pending before the Assessing Officer.
2.	2004-05	1,63,18,751	Demand under Section 30 of the Wealth Tax Act.	Appeal was disposed off by CIT (Appeals)3 / Kochi by order dated 28/09/2023 confirming the fair market value of the properties arrived at by the AO in the Remand Report. The proceedings of the AO giving effect to the above order has been received. Appeal filed before the ITAT has been disposed off vide Order dated 28/05/2024 directing the assessing officer to rework the fair market value as per directions in the Order, which is pending before the Assessing Officer.
3.	2005-06	1,56,64,950	Demand under Section 30 of the Wealth Tax Act.	Appeal was disposed off by CIT (Appeals)3 / Kochi by order dated 28/09/2023 confirming the fair market value of the properties arrived at by the AO in the Remand Report. The proceedings of the AO giving effect to the above order has been received. Appeal filed before the ITAT has been disposed off vide Order dated 28/05/2024 directing the assessing officer to rework the fair market value as per directions in the Order, which is pending before the Assessing Officer.
4.	2005-06	9,53,71,446	Order under Section 143 (3) of the Income Tax Act and disallowance under Section 40(a)(ia) of the Income Tax Act.	Appeal dismissed by ITAT / Kochi Bench by order dated August 12, 2011
5.	2006-07	1,49,60,695	Demand under Section 30 of the Wealth Tax Act.	Appeal was disposed off by CIT (Appeals)3/ Kochi by order dated 28/09/2023 confirming the fair market value of the properties arrived at by the AO in the Remand Report. The proceedings of the AO giving

Sr. No.	Assessment Year	Amount Involved (₹)	Nature of Demand	Status
				effect to the above order has been received. Appeal filed before the ITAT has been disposed off vide Order dated 28/05/2024 directing the assessing officer to rework the fair market value as per directions in the Order, which is pending before the Assessing Officer.
6.	2006-07	1,43,54,083	Penalty under Section 271 C of the Income Tax Act.	Penalty was dismissed by the ITAT Kochi vide its order dated September 24, 2014. The department appealed before the High Court of Kerala and the same was allowed. Special Leave Petition has been filed by Thomas George Muthoot in this regard and the same has been admitted by Supreme Court.
7.	2006-07	7,53,51,608	Order under Section 143(3) and 143(4) and disallowance under Section 40(a)(ia) of the Income Tax Act.	Appeal was dismissed by ITAT/ Kochi and the Honorable High Court of Kerala vide orders dated August 28, 2014 and July 03, 2014 respectively. Special Leave Petition has been filed by the assessee in this regard and the same has been admitted by Supreme Court of India.
8.	2007-08	1,41,98,584	Wealth tax	Appeal was disposed off by CIT (Appeals) 3/ Kochi by order dated 28/09/2023 confirming the fair market value of the properties arrived at by the AO in the Remand Report. The ACIT, Central Circle, Trivandrum vide Order dated 05/12/2023 received on 25/12/2023, determined the tax payable giving effect to the Order of the CIT, Appeals. Appeal filed before the ITAT has been disposed off vide Order dated 28/05/2024 directing the assessing officer to rework the fair market value as per directions in the Order, which is pending before the Assessing Officer.
9.	2007-08	2,69,12,085	Order under Section 143(3) and 143(4) and disallowance under Section 40(a)(ia) of the Income Tax Act.	Appeal was dismissed by ITAT/ Kochi and the Honorable High Court of Kerala vide orders dated August 28, 2014 and July 03, 2014 respectively. Special Leave Petition has been filed by the assessee in this regard and the same has been admitted by Supreme Court of India.
10.	2011-12	99,71,610	Order under Section 143(3) of the Income Tax Act.	The Appeal was dismissed by Order of The CIT(Appeals)-3/Kochi dated November 20, 2023. Appeal has been filed before the ITAT, Kochi.
11.	2012-13	2,61,68,000	Order u/s 143 (3) - Disallowance u/s 14 A	The Appeal was dismissed by Order of The CIT(Appeals)-3/Kochi dated November 20,2023. Appeal has been filed before the ITAT, Kochi.
12.	2013-14	60,02,360	Order u/s 143 (3) - Disallowance u/s 14 A	The Appeal was dismissed by Order of The CIT(Appeals)-3/Kochi dated November 20,2023. Appeal has been filed before the ITAT, Kochi.
13.	2014-15	3,28,62,750	Order u/s 143(3) rws 153A of the Income Tax Act (Block Assessment)	Appeal filed was dismissed by Order of The CIT(Appeals)-3/Kochi dated October 31, 2023. Appeal has been filed before the ITAT, Kochi.
14.	2015-16	2,84,92,810	Order u/s 143(3) rws 153A of the Income Tax Act (Block Assessment)	Appeal filed was dismissed by Order of The CIT(Appeals)-3/Kochi dated October 31, 2023. Appeal has been filed before the ITAT, Kochi.
15.	2016-17	12,01,195	Order u/s 143(3) rws 153A of the Income Tax Act (Block Assessment)	Appeal filed was dismissed by Order of The CIT(Appeals)-3/Kochi dated October 31, 2023. Appeal has been filed before the ITAT, Kochi.
16.	2017-18	-	Order u/s 143(3) rws 153A of the Income	Appeal filed was dismissed by Order of The CIT(Appeals)-3/Kochi dated October 31, 2023.

Sr. No.	Assessment Year	Amount Involved (₹)	Nature of Demand	Status
			Tax Act (Block Assessment)	Appeal has been filed before the ITAT, Kochi.
17.	2020-21	18,22,27,006	Order under Section 143 (3) rw Order under Section 154 of the Income Tax Act.	The Appeal was dismissed by Order of The CIT(Appeals)-3/Kochi dtd 31.10.2023. Giving effect to the Order of the CIT, Appeals-33, Kochi, the ACIT, Central Circle, Trivandrum vide order dated 21/12/2023 received on 26/12/2023 determined the tax payable. A writ petition bearing case no. WP(C) No. 10108 of 2024 was filed before the High Court of Kerala. The court Vide order dated 14 March 2024 held that its findings in case no. WP(C) No. 10359 of 2024 order dated March 14, 2024 would apply to this case and accordingly, directed the Appeallate Authority to pass fresh orders after affording to the petitioner an opportunity to be heard and the matter is currently pending.

3. Thomas Muthoot

Sr. No.	Assessment Year	Amount Involved (₹)	Nature of Demand	Status
1.	2005-06	18,18,200	Penalty under Section 271 C of the Income Tax Act.	Penalty was dismissed by ITAT Kochi vide order dated August 24, 2014. The department had appealed before the Honorable High Court of Kerala and the same was allowed. In this regard, Special Leave Petition has been filed in Supreme Court of India and the same has been admitted.
2.	2005-06	1,06,17,873	Order under Section 143(3) of the Income Tax Act and disallowance under Section 40(a)(ia) of the Income Tax Act.	Appeal was dismissed by ITAT /Kochi and Honorable High Court of Kerala by orders dated August 28, 2014 and July 03, 2015 respectively. In this regard, Special Leave Petition has been filed in the Supreme Court of India and the same has been admitted.
3.	2006-07	15,69,664	Penalty under Section 271 C of the Income Tax Act.	The Honorable High Court by order dated July 03, 2015 allowed the appeal filed by the Revenue against the order of the ITAT Kochi. In this regard Special Leave Petition has been filed by the assessee in the Supreme Court of India and the same has been admitted.
4.	2006-07	83,09,102	Order under Section 143(3) of the Income Tax Act.	Appeal was dismissed by ITAT /Kochi and Hon. High Court of Kerala by orders dated August 28, 2014 and July 03, 2015 respectively. In this regard, Special Leave Petition has been filed in the Supreme Court of India and the same has been admitted.
5.	2007-08	30,60,400	Penalty under Section 271 C of the Income Tax Act.	Penalty was dismissed by ITAT Kochi by order dated September 09, 2014. The department had gone on appeal before the Honorable High Court of Kerala and the same was allowed. In this regard, Special Leave Petition has been filed in the Supreme Court of India and the same has been admitted.
6.	2007-08	1,29,78,162	Order under Section 143(3) of the Income Tax Act.	Appeal was dismissed by ITAT /Kochi and Honorable High Court of Kerala by orders August 28, 2014 and July 03, 2015 respectively. In this regard, Special Leave Petition has been filed in the Supreme Court of India and the same has been admitted.
7.	2008-09	9,29,923	Order under Section 271(1) C of the	Appeal was dismissed by the CIT (A) / Kochi. The ITAT, Kochi has vide order dated 08/12/2022 allowed

Sr. No.	Assessment Year	Amount Involved (₹)	Nature of Demand	Status
			Income Tax Act.	the appeal and deleted the penalty and the Assessing Officer vide order dated 28/06/2023 has given effect to the Order of the ITAT and deleted the demand.
8.	2011-12	92,99,010	Order under Section 143(3) of the Income Tax Act.	The Appeal was dismissed by Order of the CIT(Appeals)-3/Kochi dated November 20, 2023.Appeal has been filed before the ITAT, Kochi.
9.	2012-13	2,49,66,580	Order u/s 143(3) - Disallowance u/s.14 A of the Income Tax Act, 1961.	The Appeal was dismissed by Order of the CIT(Appeals)-3/Kochi November 20, 2023. Appeal has been filed before the ITAT, Kochi.
10.	2013-14	1,65,83,600	Order u/s 143(3) - Disallowance u/s.14 A of Income Tax Act, 1961.	The Appeal was dismissed by Order of the CIT(Appeals)-3/Kochi November 20, 2023. Appeal has been filed before the ITAT, Kochi.
11.	2014-15	3,11,48,770	Order u/s 143(3) rws 153A of the Income Tax Act (Block Assessment)	Appeal filed was dismissed by Order of the CIT(Appeals)-3/Kochi dated October 31, 2023. Appeal has been filed before the ITAT, Kochi.
12.	2015-16	3,14,11,810	Order u/s 143(3) rws 153A of the Income Tax Act (Block Assessment)	Appeal filed was dismissed by Order of the CIT(Appeals)-3/Kochi dated October 31, 2023. Appeal has been filed before the ITAT, Kochi.
13.	2016-17	3,76,50,585	Order u/s 143(3) rws 153A of the Income Tax Act (Block Assessment)	Appeal filed was dismissed by Order of the CIT(Appeals)-3/Kochi dated October 31, 2023. Appeal has been filed before the ITAT, Kochi.
14.	2017-18	54,84,474	Order u/s 143(3) rws 153A of the Income Tax Act (Block Assessment)	Appeal filed was dismissed by Order of the CIT(Appeals)-3/Kochi dated October 31, 2023. Appeal has been filed before the ITAT, Kochi.
15.	2020-21	7,96,04,592	Order under Section 143 (3) rw Order under Section 154 of the Income Tax Act.	The Appeal was dismissed by Order of the CIT(Appeals)-3/Kochi dtd 31.10.2023. Giving effect to the Order of the CIT, Appeals-3, Kochi, the ACIT, Central Circle, Trivandrum vide order dated December 21, 2023 received on January 2, 2024 determined the tax payable. A writ petition bearing case no. WP(C) No. 10497 of 2024 was filed before the High Court of Kerala. The court vide order dated 14 March 2024 held that its findings in case no. WP(C) No. 10359 of 2024 order dated March 14, 2024 would apply to this case and accordingly, directed the Appeallate Authority to pass fresh orders after affording to the petitioner an opportunity to be heard and the matter is currently pending.

III. Litigations involving Subsidiaries

Except as disclosed under "*Litigations involving Group Companies – Criminal proceedings involving the Group Companies – Muthoot Microfin Limited*" and "*Litigations involving Group Companies – Regulatory proceedings involving the Group Companies – Muthoot Microfin Limited*", there are no litigations involving the subsidiaries.

IV. Litigations involving Group Companies

Except as disclosed below, there are no civil, criminal, regulatory or tax proceedings involving our Group Companies.

A. Civil proceedings involving the Group Companies

MPG Hotels & Infrastructure Ventures Private Limited ("**MPG Hotels**")

1. The Company issued a purchase order to R K Sales, a proprietary concern for the supply of doors, wardrobe, etc. for its 5 star hotel at Trivandrum. The said party supplied defective goods which it agreed to replace as per communications with MPG Hotels. However, the replaced goods were also defective and hence MPG Hotels procured the goods from other suppliers. Since the party supplied inferior quality goods, MPG Hotels did not pay for the said goods. The party filed a claim petition before UP State Micro & Small Enterprises Facilitation Council and preliminary objection was filed by MPG Hotels. However, pending conciliation, the Council passed an order directing to pay an amount of ₹ 92,69,453 and an interest of ₹ 97,89,300.41, aggregating to a total of ₹ 1,90,58,753.41. Aggrieved by the said award, MPG Hotels has filed the Writ Petition. The order of the council is stayed by the Allahabad, High Court. The matter is pending for hearing and disposal.

2. MPG Hotels built a software complex Muthoot Technopolis within the Cochin Special Economic Zone Authority ("**CSEZA**"), wherein software companies are the occupants. CSEZA is the distribution licensee for electricity supply. MPG Hotels was to provide electricity supply connections to sub-lessee/purchasers in Muthoot Technopolis and to collect charges. At all times the MPG Hotels performed as per the conditions laid down by CSEZA. This licensee CSEZA has no case that, MPG Hotels violated any of the conditions stipulated therein. As required by the licensee and as insisted, MPG Hotels shared electricity from High Tension ("**HT**") electric connection with the subleases/purchasers of Muthoot Technopolis. The licensee never asked MPG Hotels to collect electricity duty @ 10% of energy charges from the subleases / purchasers and never required MPG Hotels to remit it to the licensee or to the state government. The licensee collected electricity duty at HT rates for the entire consumption of electricity metered at the point of supply. As a consumer of HT electricity under CSEZA distribution licensee, MPG Hotels did everything as required by the licensee only. Thereby, MPG Hotels is not at all liable to pay electricity duty applicable to Low Tension ("**LT**") electricity supply which was never used by MPG Hotels and which was used by others as required by the licensee. A demand notice for ₹ 91,09,820.00 towards electricity duty arrears for the period from April, 2011 to March, 2016 dated March 2, 2017 has been issued to MPG Hotels. A writ petition has been filed by MPG Hotels praying to quash the demand notice and notice of disconnection. The court has stayed the operation of the notice of disconnection. Matter is currently pending.

B. Tax Litigation

Muthoot Microfin Limited ("**MML**")

1. The Assistant commissioner (Assessment), Commercial Taxes has raised a demand of ₹6,17,217 towards KGST assessment for the year 2005-06. The appeal filed by the company before the Deputy Commissioner (Appeals), Commercial Taxes against the said order is pending disposal and the management hopes to succeed on the appeal.
2. The Assistant Commissioner- III (Assessment), Commercial Taxes has raised a demand of ₹1,13,905 towards KVAT assessment for the year 2013-14. An appeal has been filed by the company before The Deputy Commissioner (Appeals), Commercial Taxes against the said order, which is pending disposal. The company has paid an amount aggregating to ₹22,781, being 20% of the demand raised under protest. The management is hopeful of succeeding on appeal and hence no provision has been made in respect of the above.
3. The Company has provided security bond furnished in Form No.6 of KVAT rules towards the demand of security deposit raised by the Commercial Tax department for purchase of capital goods from Serta Mattress for ₹10,63,060. The company has disputed the demand on grounds of fact stating that levy is basically not permitted by law and the matter is pending for proceedings before the Deputy Commissioner of Commercial Taxes.

MPG Security Group Pvt Ltd ("MPGSG")

1. MPGSG has availed various services from OM Security and Services, Ideas Innovation Squared Technologies Pvt Limited and Softcall Cust-O-Care Pvt. Ltd in their regular course of business. Further, MPGSG has availed GST input credit against such services availed and charges paid to such service providers. It appears that these service providers have filed their GST returns after their respective due dates and therefore, the department has taken a stand that MPGSG is ineligible for the credit claimed. The State Tax Officer, Central Tax, Thane, Maharashtra ("**State Tax Officer**") issued a show-cause notice to MPGSG dated March 11, 2022, for an amount of ₹ 13,16,326. The matter has been closed *vide* order dated November 11, 2022.

2. The Superintendent of CGST & Central Excise, Range IV, Purasawalkam Division, Chennai North Commissionerate, Tamilnadu has passed an order dated April 16, 2024 demanding tax and penalty aggregating to ₹ 2,26,756/- and interest thereon alleging non-reversal of Input Tax Credit against credit notes issued by suppliers. The Company has decided to contest the matter and has filed an appeal against the order on July 11, 2024.

Muthoot Exim Pvt. Ltd. ("MEPL")

1. MEPL was the consignment agent of M/s. Rajesh Exports Ltd. ("**REL**"). MEPL sold the gold ornaments supplied by REL on commission basis. MEPL had not paid the Service Tax on commission earlier but remitted along with interest before the issuance of the show cause notice. But department imposed 100% penalty of ₹ 82,04,594 under section 78 with an additional penalty of ₹ 10,000 under section 77 of the Finance Act, 1994 even after remitting the Service Tax with interest. The provisions of Section 78 provide that where penalty demanded has been paid within 30 days from the date of receipt of the Order, 25% of the demanded amount may be paid along with interest to conclude the demand. MEPL has remitted 25% of the demanded amount of ₹ 20,51,150 and ₹ 10,000 within the said 30 days and filed an appeal before CESTAT against the order. The matter is pending.

2. MEPL received a notice (33871122485/2020/A3 dated 14/02/2020) from the commercial tax department, Tamil Nadu towards the CST assessment FY 2015-16 and 2016-17 with a demand amount of ₹ 22,34,708. Department asked us to produce the books of accounts along with F Form. We have submitted all the documents and cleared all the queries except F Form as it must be issued from the Maharashtra commercial tax department. We have forwarded a request to the MVAT department to get the F Form. But they have not yet given the timeline to issue the F Form as they will consider the request based on the FIFO method. We have intimated the same to the Tamil Nadu commercial tax department, but the assessing officer denied giving extension and also, they have withheld the demand amount of ₹22,34,708 in Current Account.
3. We have filed a writ petition on 25/02/2020 before hon'ble high court of Madras by paying 25% of the demand amount (₹5,58,800) to the Tamil Nadu VAT department and successfully released the lien amount from the bank. Considering the delay in receiving the Form F from Maharashtra, our consultant advised to pay the balance liability amount of ₹ 18,40,567/- and we can apply for refund once we get the required forms. Thereby we have fulfilled the liability and now awaiting the Form F from Maharashtra to proceed further.

4. MEPL received a demand order (MUM-VAT-E-822/27450710371C/CST/CST/2020-21/2521131 dated 30/06/2020) from the commercial tax department of Maharashtra towards the CST assessment FY 2015-16 with a demand amount of ₹ 29,50,565. Department asked us to produce the books of accounts along with F form and C form. We have submitted all the documents and cleared all the queries except F form and C form as it must be issued from the Commercial tax department of various states. We have co-ordinated with our consultants to get the required forms from respective states. But they have not yet given the timeline to issue the F form and C forms considering the pandemic situation (Lockdown). We have intimated the same with the Maharashtra commercial tax department, but the assessing officer denied giving extension and they have withheld the demand amount of ₹29,50,565 in Current Account.

   We have filed an appeal to Maharashtra VAT department on April 17, 2021 for getting extension towards the submission of required documents and also to release the withheld amount. Now awaiting revert from the MVAT department to know the status of our appeal application and way forward.

   MEPL Bank Account (SBI) has been frozen by Delhi Commercial Tax Department on October 31, 2022 by considering Delhi VAT assessment FY 2016-17 & 2017-18 which we have filed an appeal on November 10, 2022 by highlighting the Tax Computation error against the demand of ₹ 28,84,654 and we have successfully released the bank attachment. The appeal is pending.

Muthoot Automotive (India) Private Limited ("MAIPL")

1. Kerala VAT has taken the position that MAIPL's turnover is not liable for VAT and service tax was added back to VAT liability. The matter is pending before the Appellate Tribunal.

2. Sales madeby MAIPL to various canteen stores ordinarily taxable at a rate of 7.25%, have been assessed by the Kerala VAT at 14.5%. The matter is pending before the Appellate Tribunal.

Muthoot Hotels Private Limited

1. KGST demands relating to the A.Y 2007-08 and 2008-09 & 2013-14 aggregating to ₹34,05,551/- are pending final disposal by the assessing authorities as per directions of the appellate authority. The company is hopeful of getting the demand cancelled by producing the requisite documentary evidences and the amount remitted under protest against the above is amounting to ₹11,77,240/-.

2. Luxury tax demand relating to A.Y.2005-06, 2007-08, 2012-13 & 2013-14 amounting to ₹29,96,071 which are

disputed by the company on appeal before Kerala Sales Tax Appellate Tribunal. Since the company is confident of succeeding on the appeal, this is not provided for. Amount of ₹3,23,981/- remitted under protest against the above demand is carried forward under long term loans and advances.

3. VAT demands relating to the A.Y.2014-15 & 2015-16 aggregating to ₹77,47,095/- are pending final disposal by the assessing authorities. The company is hopeful of getting the demand cancelled by producing the requisite documentary evidences and the amount remitted under protest against the above is amounting to ₹15,49,419/-.

MPG Hotels & Infrastructure Ventures Private Limited ("MPG Hotels")

1. Demand of Rs.39,64,662/- raised by the Commissioner of Central Excise and Customs, Thiruvananthapuram, towards Service-tax and also for the penalty of Rs.29,41,928/- imposed u/S.78 of the Finance Act for the default on remittance of Service-tax which is disputed on appeal before the higher authorities. The appeal filed by the company before the Customs, Excise and Service Tax Appellate Tribunal against the said order is pending disposal and management hopes to succeed on the appeal.

2. The Thahasildar of Kanayannur Taluk has raised a demand of Rs.56,07,000 towards building tax in respect of the Technopolis building at Kakkanad and the company has obtained stay from the Hon High Court of Kerala against enforcement of the demand. An amount of Rs.28,03,500 has been remitted by the Company based on the interim order of the High Court.

Regulatory proceedings involving Group Companies

Muthoot Microfin Limited ("MML")

1. Kerala Non-Banking Finance Welfare Association, an association and representative of non-banking financial institutions in the State of Kerala, has filed a writ petition (civil) on April 5, 2021 on behalf of its members, including our Company, before the High Court of Kerala against the State of Kerala ("**Civil Writ Petition**") challenging the notification dated January 16, 2020 ("**Notification**") for fixing the minimum rate of wages payable to employees employed in private financial institutions, such as our Company. The High Court of Kerala by way of its order dated April 20, 2021 granted an interim stay on the Notification and subsequently extended the said stay order granted until further orders, on June 30, 2022. This matter is currently pending before the High Court of Kerala. Our Company and our Promoter, Thomas Muthoot, have also received a show-cause notice dated December 17, 2020 for rectifying certain defects identified in the inspection report dated September 22, 2020 issued by Assistant Labour Officer, Attingal ("ALO"), and accordingly, our Company's representative appeared before the ALO on November 9, 2020 and submitted the requisite documents. The ALO filed a complaint against our Company and Thomas Muthoot under the Minimum Wages Act, 1948 before the Judicial First Class Magistrate Court I, Attingal for the alleged failure to upload the register of wages and employment electronically in form XIV and pay prescribed minimum rate of wages to workers. This matter is currently under stay in view of the stay order issued by the High Court of Kerala.

Muthoot Risk Insurance & Broking Services Pvt Ltd ("MRIBS")

1. IRDAI has conducted an on-site inspection in MRIBS during the period from 18th -22nd Nov 2019. Pursuant to the same, Show Cause Notice was issued to the MRIBS to which the company has furnished its response. IRDAI issued its final order on April 7, 2021, levying a penalty of ₹ 100 lakhs on MRIBS alleging that MRIBS has canvassed Insurance Business through engaging unlicensed entities.

   Aggrieved by the order, MRIBS has preferred an appeal to Securities Appellate Tribunal (SAT) under Section 110 of the Insurance Act, 1938. MRIBS has clarified in its Appeal that it has appointed the requisite number of Broker Qualified Personnel as required under the IRDAI Regulations and that the allegation w.r.t engagement of unlicensed entities for canvassing insurance business are baseless and uncalled for. The case is currently pending with SAT. Nonetheless, the penalty has been duly remitted by MRIBS.

Muthoot Capital Services Limited ("MCSL")

1. MCSL had a delay of 32 days in complying with the provisions of Regulation 23 (9) of SEBI (LODR) Regulations, 2015 i.e., submission of the list of related party transactions at the end of each half year with the Stock Exchanges within 30 days from the conclusion of the Board meeting. As a result, MCSL paid fine amounting to ₹ 1,88,800.00 (inclusive of GST @ 18%) each to both the stock exchanges i.e., BSE and NSE and ₹ 2,06,500.00 (inclusive of

GST @ 18%) to NSE.

Fine was imposed under Regulation 52(5) of SEBI (LODR) Regulations, 2015 as there was a delay of 31 days for the submission of the Certificate signed by the Debenture Trustee taking note of the contents prescribed under regulation 52(4) of SEBI (LODR) Regulations, 2015 with BSE Limited. Therefore, MCSL paid amounting to ₹36,580 (inclusive of GST @ 18%) to BSE Limited.

Criminal proceedings involving the Group Companies

Muthoot Microfin Limited ("MML")

1. Muthoot Microfin Limited has, in the ordinary course of its business, filed 10 complaints against various persons under Sections 190, 200 and 357 of the CrPC read with Sections 138 and 142 of the NI Act in relation to dishonour of cheques and recovery of dues. These matters are currently pending at different stages of adjudication before the Judicial First Class Magistrate, Ernakulam. The aggregate amount involved in these matters is ₹0.25 million.

2. Muthoot Microfin Limited has filed two complaints bearing number 1181/2023 and 1179/2023 each dated February 14, 2023 ("**Complaints**") against two individuals under Sections 190, 200 and 357 of the CrPC read with Section 25 of the PSSA in relation to recovery of dues. The dues were pertaining to default in the repayment of loans availed. The Complaints are currently pending at different stages of adjudication before the Judicial First Class Magistrate, Ernakulam. The aggregate amount involved in these matters is ₹0.05 million.

3. Muthoot Microfin Limited has filed 14 complaints against former employees of the Company and 60 complaints against third parties under Sections 190 and 200 of the CrPC read with Sections 138 and 142 of the NI Act. These matters are currently pending at different stages of adjudication before the Judicial First Class Magistrate, Ernakulam. The aggregate amount involved in these matters is ₹10.34million.

4. Muthoot Microfin Limited, in the ordinary course of its business, has filed 277 FIRs, 138 complaints and 20 criminal petitions against its employees and third parties under several Sections of the IPC, before various police authorities and forums alleging offences *inter alia* relating to robbery, misappropriation of funds, criminal intimidation, assault, forgery and theft committed by certain individuals. The total amount collectively involved in all the complaints, criminal petitions and FIRs is ₹130.68 million.

5. A FIR dated November 17, 2022 was filed by Greeshma ("Complainant") under Sections 323, 341, 354, 451 read with Section 34 of the IPC against the employees of Muthoot Microfin Limited, namely, Sujesh M S, branch manager, Rohit M G,collection executive and Akshay M.A, assistant branch manager (collectively, the "Respondents"), for assaulting and outraging the modesty of the Complainant. Subsequently, the Respondents filed for an anticipatory bail application bearing number 9398 dated November 18, 2022 before the High Court of Kerala (the "High Court"). The High Court pursuant to its order dated December 5, 2022 granted an anticipatory bail to the Respondents. The matter is currently pending investigation.
6. A criminal revision petition has been filed by Chandan A.C. under Section 397 of CrPC against Muthoot Microfin Limited challenging the criminal complaint filed by Company under Section 406, 420, 426 alleging criminal breach of trust, cheating and dishonestly inducing delivery of property and mischief. The matter is currently pending before the Principal and District Sessions Judge, Hassan.

Actions taken by Regulatory and Statutory Authorities

1. The Directorate of Enforcement, Kochi Zonal Office, Ministry of Finance, Government of India ("**ED**") has issued a summon dated December 7, 2022, bearing number FEMA/SUMMON/KCZO/2022/365, to our Managing Director, under Sections 37(1) and 37(3) of the Foreign Exchange Management Act, 1999 ("**FEMA**") read with Section 131(1) 363 of the IT Act and Section 30 of the Code of Civil Procedure, 1908, each as amended, directing him to make a personal appearance at the office of the ED to provide evidence and to produce books of accounts and other documents, inter alia, details of bank accounts maintained by him, his family members and our Company, details of movable and immovable properties purchased/ sold in their names, copies of income tax returns filed by our Managing Director from financial year 2016-17 onwards, details of companies, firms, concerns, where our Managing Director is a director, partner or a proprietor, source of funds together with supporting documents in relation to cash deposited amounting to ₹ 44,172,643 during the demonetization period and copy of financial statements including balance sheet & profit and loss of our Company from financial year 2016-17 onwards.

Subsequently, similar summons dated January 4, 2023 and January 10, 2023 bearing number FEMA/SUMMON/KCZO/2022/377 and FEMA/SUMMON/KCZO/2023/399, respectively, were issued to our Managing Director (collectively referred to "**Summons**"). Our Company representatives appeared before the ED and submitted the required information and documents as required by ED pursuant to its Summons. Subsequent to the aforesaid personal hearings, neither our Managing Director nor our Company have received any further communication from the ED in this regard.

Please also refer to, "*Risk Factors – Risk Factor # 31 - We and some of our Susidiaries, Directors and Promoters are involved in various legal and other proceedings that if determined against us could have a material adverse effect on our business, financial condition and results of operations.*" on page 31.

V. <u>Litigations by and against our Promoters</u>

Except as disclosed below, there are no other outstanding important legal proceedings involving our Promoters.

(a) Criminal Proceedings

Since our Promoters, Mr. Thomas Muthoot, Mr. Thomas John Muthoot and Mr. Thomas George Muthoot are also directors of our Company, please see "*Criminal proceedings involving any Director of the Company*" on page 220.

(b) Civil proceedings

Since our Promoters, Mr. Thomas Muthoot, Mr. Thomas John Muthoot and Mr. Thomas George Muthoot are also directors of our Company, please see "*Civil proceedings involving any Director of the Company*" on page 220.

(c) Tax proceedings

Since our Promoters, Mr. Thomas Muthoot, Mr. Thomas John Muthoot and Mr. Thomas George Muthoot are also directors of our Company, please see "*Tax proceedings involving any Director of the Company*" on page 221.

VI. Details of inquiries, inspections or investigations initiated or conducted under the Securities laws, Companies Act, 1956 or the Companies Act, 2013 against our Company and its Subsidiaries in the last three years along with Section wise details of prosecutions filed (whether pending or not), fines imposed or compounding of offences against our Company and its Subsidiaries in the last three years.

NIL

VII. Details of litigation or legal action pending or taken by any ministry or government department or statutory authority against our Promoter during the last three years and any direction issued by any such ministry or department or statutory authority upon conclusion of such litigation or legal action, as on date of this Shelf Prospectus.

NIL

VIII. Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues; debentures and interests thereon; deposits and interest thereon; and loan from any bank or financial institution and interest thereon.

NIL

IX. Details of disciplinary action taken by SEBI or Stock Exchanges against the Promoters in the last three financial years, including outstanding action.

NIL

X. Summary of reservations or qualifications or adverse remarks or other observations by auditors in the audit report / CARO by the auditors in the last three financial years i.e. Fiscal 2022 to Fiscal 2024 and limited review report on the Unaudited Standalone Financial Results; and their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remarks.

Fiscal Year	Basis of Financial Statements	Summary of Qualifications or reservations or emphasis of matter or adverse remarks or other observations by auditors in the audit report / CARO	Impact on the financial statements and financial position of the Company	Corrective steps taken and proposed to be taken by the Company
For the quarter ended June 30, 2024	Standalone	Nil	Nil	Nil
2023-24	Consolidated	**Other Matters (Independent Auditors Report)** (a) We did not audit the financial statements / financial information of the subsidiaries, whose financial statements reflect total assets of Rs.13,89,207.80 lakhs as at 31st March, 2024, total revenues of Rs. 2,60,099.19 lakhs and net cash flows amounting to Rs.31,142.77 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. (b) This financial statements / financial information has been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors. (c) Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information. **Other Matters (Annexure I to Independent Auditors Report)** 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 in so far as it relates to the subsidiary companies are based solely on the corresponding reports of the auditors of such company. Our opinion is not modified in respect of the above matter.	N.A.	N.A.
	Standalone	Nil	Nil	Nil
2022-23	Consolidated	**Other Matters (Independent Auditors Report)** (i) We did not audit the financial statements / financial information of the subsidiaries, whose financial statements reflect total assets of Rs.10,15,110.04 lakhs as at 31st March, 2023, total revenues of ₹ 1,68,773.18 lakhs and net cash flows amounting to Rs.3,667.35 lakhs for the year ended on that date, as considered	N.A.	N.A.

Fiscal Year	Basis of Financial Statements	Summary of Qualifications or reservations or emphasis of matter or adverse remarks or other observations by auditors in the audit report / CARO	Impact on the financial statements and financial position of the Company	Corrective steps taken and proposed to be taken by the Company
		in the consolidated Ind AS financial statements. (ii) This financial statements / financial information has been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors. (iii) Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information. **Other Matters (Annexure A to the Independent Auditors Report)** (i) 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 in so far as it relates to the subsidiary companies are based solely on the corresponding reports of the auditors of such company (ii) Our opinion is not modified in respect of the above matter.		
	Standalone	Nil	Nil	Nil
2021-22	Consolidated	**Other Matters (Independent Auditors Report)** We did not audit the financial statements/ financial information of the subsidiaries, whose financial statements reflect total assets of Rs.7,03,698.65 lakhs as at March 31, 2022, total revenues of Rs.105,236.15 lakhs and net cash flows amounting to ₹ 21,190.62 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amount and disclosures included in respect of this subsidiaries, and our report in terms of sub section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors. Our opinion is not modified in respect of the above.	N.A.	N.A.

Fiscal Year	Basis of Financial Statements	Summary of Qualifications or reservations or emphasis of matter or adverse remarks or other observations by auditors in the audit report / CARO	Impact on the financial statements and financial position of the Company	Corrective steps taken and proposed to be taken by the Company
		Other Matters (Annexure A to Independent Auditors Report) 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 in so far as it relates to the subsidiary companies are based solely on the corresponding reports of the auditors of such company. Our opinion is not modified in respect of the above matter.		
	Standalone	Nil	Nil	Nil

XI. Details of acts of material frauds committed against the Company in the current financial year and last three financial years, if any, and if so, the action taken by the Company in response.

Sl. No	Year	Gross Amount (₹ in Lakh)	Modus Operandi	Recovery (₹ in Lakh)	Provisions (₹ in Lakh)	Action Taken by the Company
1.	2024-25 (up to August 20, 2024)	236.80	Fraud committed with connivance of staff and stolen gold pledged by customer	9.43	227.37	Complaint/FIR lodged against staff and customer and staff dismissed from service
2.	2023-24	428.55	Loans granted against stolen gold, spurious gold pledged and fraud committed with connivance of staff	29.51	399.04	Complaint/FIR lodged against staff and customer and staff dismissed from service
3.	2022-23	664.83	Loans granted against theft gold, spurious gold and misappropriation of cash committed by personnel of the Company	66.24	598.59	1. For misappropriation by staff – Complaint / FIR lodged against the employee and staff dismissed from service 2. For Spurious Gold pledged – FIR lodged against customers and UCIC marked freeze 3. Stolen gold – The Company verifies if there is any deficiency in KYC submitted and the SOP stipulated by the Company and based on the findings action is initiated. In all cases the KYC was in order and process complied.
4.	2021-22	614.08	Loans granted against theft gold, spurious gold and misappropriation	61.94	552.14	1. For misappropriation by staff – Complaint / FIR lodged against the employee and staff dismissed from service 2. Spurious Gold pledged – FIR

Sl. No	Year	Gross Amount (₹ in Lakh)	Modus Operandi	Recovery (₹ in Lakh)	Provisions (₹ in Lakh)	Action Taken by the Company
			of cash committed by personnel of the Company			lodged against customers 3. Stolen gold – The Company verifies if there is any deficiency in KYC submitted and the SOP stipulated by the Company and based on the findings action is initiated 4. Burglary – The Company has security and vigilance systems with continuous monitoring mechanisms to prevent and / or to respond to such attempts
		364.21	Burglary in the Asansol Murgasol branch of the Company	364.21	-	

XII. A summary of the outstanding proceedings involving our company, subsidiaries, directors, promoter and group companies in accordance with requirements under the Sebi NCS Regulations, as disclosed in this Shelf Prospectus, to the extent quantifiable, have been set out below:

Name	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges	Material Civil Litigations	Aggregate amount involved (₹ in lakh)
Company						
By the Company*	1123**	Nil	Nil	Nil	1	484.03
Against the Company	1	9	Nil	Nil	4*	31192.72
Directors						
By the Directors	Nil	Nil	Nil	Nil	1	Nil
Against the Directors	4	48	Nil	Nil	1	12,504.83
Promoters						
By the Promoters	Nil	Nil	Nil	Nil	1	Nil
Against the Promoters	4	48	Nil	Nil	1	12,504.83
Subsidiaries						
By the Subsidiaries	523***	Nil	Nil	Nil	Nil	1413.2
Against the Subsidiaries	Nil	Nil	1	Nil	Nil	441.73

**The aggregate amount does not include writ petition, W.P. (C) No. 22768/ 2020 dated October 22, 2020 filed by the Company before the Hon'ble High Court of Kerala against Union of India & others, as there are no monetary amounts involved in the case.*

***This number is inclusive of the cases filed by the company under Section 138 of the Negotiable Instruments Act, 1881, Sections 342, 365, 387, 397, 392, 384, 420 of IPC and Section 156(3) of the Code of Criminal Procedure, 1973.*

****This number is inclusive of the complaints filed under Sections 190, 200 and 357 of the CrPC read with Sections 138 and 142 of the NI Act, Sections 190 and 200 of the CrPC read with Sections 138 and 142 of the NI Act and FIRs and complaints filed in the ordinary course of business.*

REGULATIONS AND POLICIES

The regulations summarized below are not exhaustive and are only intended to provide general information to Investors and are neither designed nor intended to be a substitute for any professional legal advice. Taxation statutes such as the IT Act, GST laws (including CGST, SGST and IGST) and applicable local sales tax statutes, labour regulations such as the Employees State Insurance Act, 1948 and the Employees Provident Fund and Miscellaneous Provisions, Act, 1952, and other miscellaneous regulations such as the Trade Marks Act, 1999 and applicable Shops and Establishments statutes apply to us as they do to any other Indian company and therefore have not been detailed below.

The following description is a summary of certain sector specific laws and regulations in India, which are applicable to our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of the Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Our Company is a non-banking financial company (NBFC) – Middle Layer which does not accept public deposits. As such, our business activities are *inter-alia* regulated by RBI regulations applicable to a Non-Deposit taking Non-Banking Financial Company – Middle Layer.

Principal business criteria and NBFC classification

As per the RBI Act, a non-banking financial company means (i) a financial institution which is a company, (ii) a non-banking institution which is a company and which has as its principal business the receiving of deposits, under any scheme or arrangement or in any other manner, or lending in any manner, (iii) such other non-banking institution or class of such institutions, as the RBI may, with the previous approval of the Central Government and by notification in the Official Gazette, specify.

The RBI Act, further defines a ‘financial institution’ to mean a non-banking institution which, among other things, includes carrying on the business or as part of its business, financing activities, whether by way of making loans or advances or otherwise, of any activity, other than its own or the acquisition of shares/stock/bonds/debentures/securities issued by the Government of India or other local authorities or other marketable securities of like nature.

RBI has clarified through a press release (*Ref. No. 1998-99/1269*) issued in 1999, that in order to identify a particular company as an NBFC, it will consider both the assets and the income pattern as evidenced from the last audited balance sheet of the company to decide a company’s principal business. The company will be treated as an NBFC if its financial assets are more than 50 per cent of its total assets (netted off by intangible assets) and income from financial assets should be more than 50 per cent of the gross income. Both these tests are required to be satisfied in order to determine the principal business of a company.

Every NBFC is required to submit to the RBI a certificate, from its statutory auditor within one month from the date of finalisation of the balance sheet and in any case, not later than December 30 of that year, inter-alia stating that it is engaged in the business of non-banking financial institution requiring it to hold a certificate of registration.

Being an NBFC, our Company is inter-alia governed by the RBI Act, the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016. In addition to these regulations, NBFCs are also governed by various circulars, notifications, guidelines and directions issued by the RBI from time to time.

The major regulations governing our Company are detailed below:

In terms of the Master Direction- Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 (“RBI Master Directions”), NBFCs have been categorised into following four layers based on their size, activity, and perceived riskiness by the RBI:

i) NBFC- Base Layer (“**NBFC-BL**”);
ii) NBFC- Middle Layer (“**NBFC-ML**”);
iii) NBFC- Upper layer (“**NBFC-UL**”); and
iv) NBFC- Top Layer (“**NBFC-TL**”)

The NBFC- BL comprise of (a) non-deposit taking NBFCs below the asset size of ₹ 1,00,000 lakhs and (b) NBFCs undertaking the following activities- (i) NBFC-Peer to Peer Lending Platform (NBFC-P2P), (ii) NBFC-Account

Aggregator (NBFC-AA), (iii) Non-Operative Financial Holding Company (NOFHC) and (iv) NBFCs not availing public funds and not having any customer interface.

The NBFC- ML consist of (a) all deposit taking NBFCs ("NBFC-Ds"), irrespective of asset size, (b) non-deposit taking NBFCs with asset size of ₹ 1,00,000 lakhs and above and (c) NBFCs undertaking the following activities (i) Standalone Primary Dealers (SPDs)– (ii) Infrastructure Debt Fund - Non-Banking Financial Companies (IDF-NBFCs), (iii) Core Investment Companies (CICs), (iv) Housing Finance Companies (HFCs) and (v) Infrastructure Finance Companies (NBFC-IFCs).

The NBFC-UL comprise of those NBFCs which are specifically identified by RBI as warranting enhanced regulatory requirement based on a set of parameters and scoring methodology as provided in appendix to RBI Master Directions. The top ten eligible NBFCs in terms of their asset size shall always reside in the upper layer, irrespective of any other factor.

The NBFC-TL will ideally remain empty. This layer can get populated if RBI is of the opinion that there is a substantial increase in the potential systemic risk from specific NBFC-Upper Layer. Such NBFC shall move to the NBFC-Top Layer.

As on date of filing of this Shelf Prospectus the Company falls under the category of NBFC-ML, as its assets size is above ₹ 1,00,000 lakhs, as per the last audited balance sheet.

Rating of NBFCs

Pursuant to the RBI Master Directions, all applicable NBFCs are required to furnish information about downgrading / upgrading of assigned rating of any financial product issued by them, within fifteen days of such a change in rating, to the regional office of the RBI under whose jurisdiction their registered office is functioning.

Prudential Norms

The RBI Master Directions amongst other requirements prescribe guidelines regarding capital requirement, income recognition, asset classification, provisioning requirements, capital adequacy requirements, concentration of credit/ investment, etc.

Provisioning Requirements

Every applicable NBFC after taking into account the time lag between an account becoming non-performing, its recognition as such, the realisation of the security and erosion overtime in the value of the security charged, shall make provisions against sub-standard assets, doubtful assets and loss assets in the manner provided for in the RBI Master Directions.

In the interests of counter cyclicality and so as to ensure that NBFCs create a financial buffer to protect them from the effect of economic downturns, RBI *vide* its circular no. DNBS.PD.CC. No.207/ 03.02.002 /2010-11 dated January 17, 2011, introduced provisioning for standard assets by all NBFCs at the rate of 0.25 per cent of the outstanding standard assets. Subsequently, RBI vide its circular no. DNBR (PD) CC No. 037/03.01.001/2014-15 dated June 03, 2015 raised the provision for standard assets to 0.40 per cent to be met by March 2018. The general provisions on standard assets are not reckoned for arriving at Net NPAs. However, the general provisions towards standard assets are not needed to be netted from gross advances but shall be shown separately as 'Contingent Provisions against Standard Assets in the balance sheet. NBFCs are allowed to include the '*General Provisions on Standard Assets*' in Tier 2 Capital which together with other 'general provisions/ loss reserves' will be admitted as Tier 2 Capital only up to a maximum of 1.25 per cent of the total risk-weighted assets.

Capital Adequacy Norms

In terms of the RBI Master Directions, NBFCs – Middle Layer are required to maintain, a minimum capital ratio consisting of Tier 1 and Tier 2 capital which shall not be less than 15% of its aggregate risk weighted assets on balance sheet and risk adjusted value of off-balance sheet items. The Tier 1 capital in respect of NBFCs – Middle Layer (except NBFC-MFI and NBFC primarily engaged in lending against gold jewellery), at any point of time, shall not be less than 10 per cent.

"Tier 1 Capital" means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund; and perpetual debt instruments issued by a non-deposit taking non-banking financial company in each year to the extent it does not exceed 15 per cent of the aggregate Tier 1 Capital of such company as on March 31 of the previous accounting year.

Owned Funds are defined as paid-up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account; capital reserve representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of assets; less accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.

Tier 2 Capital includes the following (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of 55%; (c) general provisions (including that for standard assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one-and-one-fourth percent of risk weighted assets; (d) hybrid debt capital instruments; and (e) subordinated debt; and (f) perpetual debt instrument issued by non-deposit taking non-banking financial company, which is in excess of what qualifies for Tier 1 Capital, to the extent that the aggregate does not exceed Tier 1 Capital.

Hybrid debt means, capital instrument, which possess certain characteristics of equity as well as debt.

Subordinated debt means an instrument, which is fully paid up, is unsecured and is subordinated to the claims of other creditors and is free from restrictive clauses and is not redeemable at the instance of the holder or without the consent of the supervisory authority of the NBFC. The book value of such instrument is subjected to discounting as prescribed under the RBI Master Directions and to the extent such discounted value does not exceed fifty percent of Tier 1 capital.

Asset Classification

The RBI Master Directions require that every applicable NBFC shall, after taking into account the degree of well-defined credit weaknesses and extent of dependence on collateral security for realisation, classify its lease/hire purchase assets, loans and advances and any other forms of credit into the following classes:

- Standard assets;
- Sub-standard Assets;
- Doubtful Assets; and
- Loss assets

Further, such class of assets would not be entitled to be upgraded merely as a result of rescheduling, unless it satisfies the conditions required for such upgradation. At present every NBFC-ML is required to make a general provision for standard assets at 0.40 per cent.

Other stipulations on policies

Applicable NBFCs are required to frame board approved policies *inter alia* including, (i) a policy for demand and call loan; (ii) liquidity risk management policy; (iii) policy on outsourcing; (iv) fair practice code; (v) policies under the Information Technology Framework for the NBFC Sector; (vi) interest rate model policy; (vii) investment policy; (viii) know you customer/ anti-money laundering policy; (ix) policy for ascertaining the fit and proper criteria of the directors at the time of appointment, and on a continuing basis.

The prudential norms also specifically prohibit NBFCs from lending against its own shares.

Net Owned Fund

Section 45-IA of the RBI Act provided that to carry on the business of a NBFC, an entity would have to register as an NBFC with the RBI and would be required to have a minimum net owned fund of ₹200 lakh. However, the net owned fund requirement has been incrementally revised by the RBI Master Directions. RBI Master Directions stipulates the glided path to minimum net owned fund requirement of ₹ 500 lakh by March 31, 2025 and ₹ 1,000 lakh by March 31, 2027 by the NBFCs with customer interface or public funds.

Reserve Fund

In addition to the above, Section 45-IC of the RBI Act requires NBFCs (unless specifically exempted by RBI) to create a reserve fund and transfer therein a sum of not less than 20% of its net profits earned annually before declaration of dividend. Such sum cannot be appropriated by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation is required to be reported to the RBI within 21 days from the date of such appropriation.

Information with respect to change of address, directors, auditors, etc. to RBI

Applicable NBFCs are required to inform the RBI (Regional Office of the Department of Supervision of the Bank) of any change in the address, telephone no's, etc. of its registered office, names and addresses of its directors/auditors, names and designations of its principal officers, the specimen signatures of its authorised signatories, within one month from the occurrence of such an event.

*Reserve Bank of India (Know Your Customer (KYC)) Master Directions, 2016 dated February 25, 2016, as amended ("**RBI KYC Directions**") and Prevention of Money-Laundering Act, 2002*

The RBI KYC Directions have been extended inter-alia to all NBFCs, and in terms of the RBI KYC Directions, every entity regulated thereunder is required to formulate a KYC policy which is duly approved by the board of directors of such entity or a duly constituted committee thereof. The KYC policy formulated in terms of the RBI KYC Directions is required to include four key elements, being customer acceptance policy, risk management, customer identification procedures and monitoring of transactions. It is advised that all NBFC's adopt the same with suitable modifications depending upon the activity undertaken by them and ensure that a proper policy framework of anti-money laundering measures is put in place, to ensure adherence to RBI KYC Directions.

Further, all NBFCs are required to adhere to provisions of Prevention of Money-Laundering Act, 2002, the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005, and rules, circulars and regulations issued thereunder, as amended from time to time. The NBFCs are required to introduce a system of maintaining proper record of transactions prescribed under Rule 3 of Prevention of Money Laundering (Maintenance of Records) Rules, 2005

Accounting Standards & Accounting policies

NBFCs that are required to implement Indian Accounting Standards ("**Ind AS**") as per the Companies (Indian Accounting Standards) Rules, 2015 ("**Accounting Standard Rules**") shall prepare their financial statements in accordance with Ind AS notified by the Government of India and shall comply with the regulatory guidance specified in the RBI Master Directions. Disclosure requirements for notes to accounts specified in the RBI Master Directions shall continue to apply. The Ministry of Corporate Affairs ("**MCA**"), in its press release dated January 18, 2016, issued a roadmap for implementation of Ind AS converged with IFRS for non-banking financial companies, scheduled commercial banks, insurers, and insurance companies. RBI vide its circular dated February 11, 2016, inter alia specified that scheduled commercial banks (excluding RRBs) shall follow the Indian Accounting Standards as notified under the Companies (Indian Accounting Standards) Rules, 2015, subject to any guideline or direction issued by the Reserve Bank in this regard in the manner provided in the said circular. The Accounting Standard Rules were subsequently amended by MCA Notification dated March 30, 2016. Ind AS is applicable to our Company with effect from April 1, 2020.

Implementation of Indian Accounting Standards: RBI Notification

The Reserve bank of India vide notification number RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/ 2019-20 dated March 13, 2020 framed regulatory guidance on Ind AS which is applicable on Ind AS implementing NBFCs and Asset Reconstruction Companies (ARCs) for preparation of their financial statements from financial year 2019-20 onwards. These guidelines focus on the need to ensure consistency in the application of the accounting standards in specific areas, including asset classification and provisioning, and provide clarifications on regulatory capital in the light of Ind AS implementation.

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

The directions lists down detailed instructions in relation to submission of returns, including their periodicity, reporting time, due date, purpose and the requirement of filing such returns by various categories of NBFCs.

Implementation of Green Initiative of the Government

All applicable NBFCs are required take proactive steps for increasing the use of electronic payment systems, elimination of post-dated cheques and gradual phase-out of cheques in their day to day business transactions which would result in more cost-effective transactions and faster and accurate settlements.

Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021

The circular puts in place regulations for ensuring independence of auditors, avoiding conflict of interest in auditor's appointments and to improve the quality and standards of audit in RBI Regulated Entities.

Master Direction – Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016

In addition to the report made by the auditor under Section 143 of the Companies Act, 2013 on the accounts of an NBFC , the auditor shall make a separate report to the Board of Directors of the company on *inter alia* examination of validity of certificate of registration obtained from the RBI, whether the NBFC is entitled to continue to hold such certificate of registration in terms of its Principal Business Criteria (financial asset / income pattern) as on 31st March of the applicable year, whether the NBFC is meeting the required net owned fund requirement, whether the board of directors has passed a resolution for non-acceptance of public deposits, whether the company has accepted any public deposits during the applicable year, whether the company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it, whether the capital adequacy ratio as disclosed in the return submitted to the RBI in NBS-7 (DNBS03), has been correctly arrived at and whether such ratio is in compliance with the minimum CRAR prescribed by RBI, whether the company has furnished to RBI the annual statement of capital funds, risk assets/exposures and risk asset ratio within the stipulated period.

Where the statement regarding any of the items referred in the auditor certificate above, is unfavorable or qualified, or in the opinion of the auditor the company has not complied with the regulations issued by RBI, it shall be the obligation of the auditor to make a report containing the details of such unfavourable or qualified statements and/or about the non-compliance, as the case may be, in respect of the company to the concerned Regional Office of the Department of Non-Banking Supervision of the RBI under whose jurisdiction the registered office of the company is located.

Risk-Based Internal Audit (RBIA)

An independent and effective internal audit function in a financial entity provides vital assurance to the board of directors and its senior management of NBFC regarding the quality and effectiveness of the entity’s internal control, risk management and governance framework. The essential requirements for a robust internal audit function include, inter alia, sufficient authority, proper stature, independence, adequate resources and professional competence. RBI *vide* its circular dated February 03, 2021, *inter-alia* mandated all non-deposit taking NBFCs (including Core Investment Companies) with asset size of ₹ 5,00,000 lakhs and above to implement the RBIA framework by March 31, 2022.

Master Direction on Information Technology Framework for the NBFC Sector, 2017

All NBFCs shall have a board approved Information Technology policy/Information system policy. This policy may be designed considering the basic standards stipulated in the said directions.

In November 2023, the RBI issued the Reserve Bank of India (Information Technology Governance, Risk, Controls and Assurance Practices) Directions, 2023 which will come into effect from April 01, 2024. These directions incorporate, consolidate and update the guidelines, instructions and circulars on IT Governance, Risk, Controls, Assurance Practices and Business Continuity/ Disaster Recovery Management. Accordingly, the Master Direction on Information Technology Framework for the NBFC Sector, 2017 will stand repealed with effect from April 01, 2024 for NBFC – Middle Layer, NBFC – Upper Layer and NBFC – Top Layer.

Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016

RBI has issued Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016 (“Fraud Directions, 2016”). As per the Fraud Directions, 2016, NBFCs are required to put in place a reporting system for recording frauds without any delay. NBFCs are required to fix staff accountability in respect of delays in reporting of fraud cases to the RBI. In order to maintain uniformity in reporting frauds, the Fraud Directions, 2016, prescribe the manner of classification of frauds. Such NBFCs are required to report frauds committed to various bodies like the board, the audit committee, the RBI and the police authorities, depending on the amount involved in the fraud. In terms of the Fraud Directions, 2016 such NBFCs shall disclose the amount related to fraud reported by the NBFC for the year in their balance sheet.

Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs

With a view to put in place necessary safeguards applicable to outsourcing of activities by NBFCs, the RBI has issued directions on managing risks and code of conduct in outsourcing of financial services by NBFCs (“Outsourcing Directions”). The Outsourcing Directions specify that core management functions including internal audit, strategic and compliance functions, decision making functions such as determining compliance with KYC norms, according sanction for loans, shall not be outsourced by NBFCs. However, for NBFCs in a group/conglomerate, these functions may be outsourced within the group subject to compliance with instructions in the Outsourcing Directions. Further, while internal audit function itself is a management process, the internal auditors can be on contract.

Fair practice code

Applicable NBFCs having customer interface should mandatorily adopt the guidelines on fair practices to be adhered to while conducting business. The guidelines require that all communications to the borrower shall be in the vernacular language or a language as understood by the borrower. Also, loan application forms shall include necessary information which affects the interest of the borrower, so that a meaningful comparison with the terms and conditions offered by other NBFCs can be made and informed decision can be taken by the borrower. Such NBFCs should also give notice to the borrower in the vernacular language or a language as understood by the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. Such NBFCs shall also ensure that changes in interest rates and charges are effected only prospectively.

In order to regulate charging of excessive interest rates, applicable NBFCs are required to adopt an interest rate model. The rate of interest and the approach for gradations of risk and rationale for charging different rate of interest to different categories of borrowers shall be explicitly disclosed to the borrower. In the matter of recovery of loans, such NBFCs shall not resort to undue harassment methods which include persistently bothering the borrowers at odd hours, use muscle power for recovery of loans etc. Such NBFCs shall also ensure that the staffs are adequately trained to deal with the customers in an appropriate manner.

Also, NBFC-ML are required to lay down an appropriate grievance redressal mechanism within the organisation.

Ombudsman scheme for customers of NBFCs

The RBI has on November 12, 2021 introduced the Reserve Bank - Integrated Ombudsman Scheme, 2021 (the "**Scheme**"). The Scheme integrates three ombudsman schemes of RBI namely, (i) the Banking Ombudsman Scheme, 2006; (ii) the Ombudsman Scheme for Non-Banking Financial Companies, 2018; and (iii) the Ombudsman Scheme for Digital Transactions, 2019. The Scheme makes 'deficiency in services' as ground for filing complaints with certain exceptions.

The responsibility of representing the NBFC and furnishing information in respect of complaints filed by customers against the NBFC would be that of the principal nodal officer in the rank of a general manager or equivalent. The NBFC will not have the right to appeal in cases where an award is issued by the ombudsman against it on account of non-response or non-furnishing of information sought within stipulated time.

A complaint may be lodged online through the portal designed for the purpose (https://cms.rbi.org.in). The complaint may also be submitted through electronic or physical mode to the Centralised Receipt and Processing Centre as notified by the RBI. The ombudsman is entitled to call for certified copy of documents from the NBFC and the ombudsman is required to maintain confidentiality in relation to the same. The proceedings before the ombudsman shall be summary in nature. The Ombudsman's award shall contain, inter alia, the direction, if any, to the NBFC for specific performance of its obligations and in addition to or otherwise, the amount, if any, to be paid by the NBFC to the complainant by way of compensation for any loss suffered by the complainant.

Asset Liability Management

Under the terms of the RBI Master Directions, non-deposit accepting NBFCs having an asset base of ₹10,000 lakhs or more are required to comply with the RBI Guidelines on Liquidity Risk Management Framework ("LRM Framework"). The RBI has prescribed the Guidelines for asset liability management ("ALM") system in relation to NBFCs through LRM Framework. The LRM Framework provides that in order to ensure sound and robust liquidity risk management system, the board of directors of the NBFC shall frame a liquidity risk management framework which ensures that it maintains sufficient liquidity, including a cushion of unencumbered, high quality liquid assets to withstand a range of stress events, including those involving the loss or impairment of both unsecured and secured funding sources.

The liquidity risk management policy should spell out the entity-level liquidity risk tolerance; funding strategies; prudential limits; system for measuring, assessing and reporting/ reviewing liquidity; framework for stress testing; liquidity planning under alternative scenarios/formal contingent funding plan; nature and frequency of management reporting; periodical review of assumptions used in liquidity projection; etc. A desirable organizational set up for liquidity risk management shall include (a) Board of Directors who shall have the overall responsibility for management of liquidity risk, (b) the risk management committee ("**RMC**") consisting of chief executive officer ("**CEO**")/ managing director ("**MD**") and heads of various risk verticals, who shall be responsible for evaluating the overall risks faced by the NBFC including liquidity risk, (c) asset liability management committee ("**ALCO**") consisting of the NBFC's top management shall be responsible for ensuring adherence to the risk tolerance/limits set by the board of directors as well as implementing the liquidity risk management strategy of the NBFC.

The CEO/ MD or the Executive Director (ED) should head the ALCO. The role of the ALCO with respect to liquidity risk should include, *inter alia*, decision on desired maturity profile and mix of incremental assets and liabilities, sale of assets as a source of funding, the structure, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions of all branches, (d) asset liability management support group ("**ALM Support Group**") consisting of the operating staff responsible for analysing, monitoring and reporting the liquidity risk profile to the ALCO. The maturity profile as prescribed in the directions could be used for measuring the future cash flows of NBFCs in different time buckets. Within each time bucket, there could be mismatches depending on cash inflows and outflows. While the mismatches up to one year would be relevant since these provide early warning signals of impending liquidity problems, the main focus shall be on the short-term mismatches, viz., 1-30/ 31 days. The net cumulative negative mismatches in the statement of structural liquidity in the maturity buckets 1-7 days, 8-14 days, and 15-30 days shall not exceed 10 percent, 10 percent and 20 percent of the cumulative cash outflows in the respective time buckets. NBFCs, however, are expected to monitor their cumulative mismatches (running total) across all other time buckets upto 1 year by establishing internal prudential limits with the approval of the board of directors. NBFCs shall also adopt the above cumulative mismatch limits for their structural liquidity statement for consolidated operations. Other than liquidity risk the applicable NBFC has to manage currency risk and interest rate risk under the terms of LRM Framework.

Guidelines on Digital Lending and Guidelines on Default Loss Guarantee (DLG) in Digital Lending

RBI on September 2, 2022 issued Guidelines on Digital Lending. The Guidelines on Digital Lending are applicable to all Commercial Banks, Primary (Urban) Co-operative Banks, State Co-operative Banks, District Central Co-operative Banks; and NBFCs. The Guidelines on Digital Lending prescribe guidelines w.r.t. Customer Protection and Conduct, Collection of fees, charges, Disclosures to borrowers, Grievance Redressal, Assessing the borrower's creditworthiness, Cooling off/look-up period, Due diligence and other requirements with respect to lending service providers engaged by the regulated entity, Technology and Data Requirement, Storage of Data, Comprehensive privacy policy, Technology standards, Reporting to Credit Information Companies and Loss sharing arrangement in case of default. The RBI guidelines on DLG, inter-alia governs arrangements between regulated entities (REs) and lending service providers (LSPs) or between two REs involving DLG.

The Recovery of Debts due to Banks and Financial Institutions Act, 1993

The Recovery of Debts due to Banks and Financial Institutions Act, 1993 (the "DRT Act") provides for establishment of the Debts Recovery Tribunals (the "DRTs") for expeditious adjudication and recovery of debts due to banks and public financial institutions or to a consortium of banks and public financial institutions. Under the DRT Act, the procedures for recovery of debt have been simplified and time frames have been fixed for speedy disposal of cases. The DRT Act lays down the rules for establishment of DRTs, procedure for making application to the DRTs, powers of the DRTs and modes of recovery of debts determined by DRTs. These include attachment and sale of movable and immovable property of the defendant, arrest of the defendant and his detention in prison and appointment of receiver for management of the movable or immovable properties of the defendant.

The DRT Act also provides that a bank or public financial institution having a claim to recover its debt, may join an ongoing proceeding filed by some other bank or public financial institution, against its debtor, at any stage of the proceedings before the final order is passed, by making an application to the DRT.

The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act")

The SARFAESI Act regulates the securitization and reconstruction of financial assets of banks and financial institutions. The RBI has issued guidelines to banks and financial institutions on the process to be followed for sales of financial assets to asset reconstruction companies. These guidelines provide that a bank or a financial institution or an NBFC may sell financial assets to an asset reconstruction company provided the asset is a Non - Performing Asset ("NPA"). Securitisation Companies and Reconstruction Companies ("SCs/RCs") are required to obtain, for the purpose of enforcement of security interest, the consent of secured creditors holding not less than 60 per cent of the amount outstanding to a borrower as against 75 per cent. While taking recourse to the sale of secured assets in terms of Section 13(4) of the SARFAESI Act, a SC/RC may itself acquire the secured assets, either for its own use or for resale, only if the sale is conducted through a public auction.

As per the SARFAESI Amendment Act of 2004, the constitutional validity of which was upheld in a recent Supreme Court ruling, non-performing assets have been defined as an asset or account of a borrower, which has been classified by a bank or financial institution as sub-standard, doubtful or loss asset in accordance with directions or guidelines issued by the RBI. In case the bank or financial institution is regulated by a statutory body/authority, NPAs must be classified by such bank in accordance with guidelines issued by such regulatory authority. The RBI has issued guidelines on classification of assets as NPAs. Further, these assets are to be sold on a "without recourse" basis only.

The SARFAESI Act provides for the acquisition of financial assets by Securitization Company or Reconstruction Company from any bank or financial institution on such terms and conditions as may be agreed upon between them.

A securitization company or reconstruction company having regard to the guidelines framed by the RBI may, for the purposes of asset reconstruction, provide for measures such as the proper management of the business of the borrower by change in or takeover of the management of the business of the borrower, the sale or lease of a part or whole of the business of the borrower and certain other measures such as rescheduling of payment of debts payable by the borrower; enforcement of security.

Additionally, under the provisions of the SARFAESI Act, any securitisation company or reconstruction company may act as an agent for any bank or financial institution for the purpose of recovering its dues from the borrower on payment of such fee or charges as may be mutually agreed between the parties.

Various provisions of the SARFAESI Act have been amended by the Enforcement of Security Interest and Recovery of Debt Laws and Miscellaneous Provisions (Amendment) Act, 2016 as also the Insolvency and Bankruptcy Code, 2016 (which amended S.13 of SARFAESI). As per this amendment, the Adjudicating Authority under the Insolvency and Bankruptcy Code, 2016 shall by order declare moratorium for prohibiting inter alia any action to foreclose, recover or enforce any security interest created by the corporate debtor in respect of its property including any action under the SARFAESI Act.

Further, in accordance with Ministry of Finance notification no. S.O. 856(E) dated February 24, 2020, the eligibility limit for to enforcement of security interest with respect to secured debt recovery by NBFCs (having assets worth ₹ 10,000 lakh and above) has been reduced from ₹ 100 lakh to ₹ 50 lakh.

Insolvency and Bankruptcy Code, 2016

The Insolvency and Bankruptcy Code, 2016 (Bankruptcy Code) was notified on August 5, 2016. The Bankruptcy Code offers a uniform and comprehensive insolvency legislation encompassing all companies, partnerships and individuals (other than financial firms). It allows creditors to assess the viability of a debtor as a business decision and agree upon a plan for its revival or a speedy liquidation. The Bankruptcy Code creates a new institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms, which will facilitate a formal and time-bound insolvency resolution and liquidation process.

RBI *vide* its circular dated June 7, 2019, laid down the Prudential Framework for Resolution of Stressed Assets whereby prescribing the regulatory approach for resolution of stressed assets interalia by: (i) early recognition and reporting of default by banks, financial institutions and NBFCs in respect of large borrowers; (ii) Affording complete discretion to lenders with regard to design and implementation of resolution plans, in supersession of earlier resolution schemes (S4A, SDR, 5/25 etc.), subject to the specified timeline and independent credit evaluation; (iii) Laying down a system of disincentives in the form of additional provisioning for delay in implementation of resolution plan or initiation of insolvency proceedings; (iv) Withdrawal of asset classification dispensations on restructuring. Future upgrades to be contingent on a meaningful demonstration of satisfactory performance for a reasonable period; and (v) Requiring the mandatory signing of an inter-creditor agreement (ICA) by all lenders, which will provide for a majority decision making criteria. MCA vide notification dated November 15, 2019, issued the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 ("FSP Rules") interalia governing the corporate insolvency resolution process and liquidation process of Financial Service Providers (FSPs) under the Bankruptcy Code. The issuance of the FSP Rules has made viable and unified resolution process accessible for the FSPs and their creditors with some procedural differences.

Companies Act, 2013

The Companies Act, 2013 ("Companies Act") has been notified by the Government of India on August 30, 2013 (the "Notification").

The Companies Act provides for, among other things, changes to the regulatory framework governing the issue of capital by companies, corporate governance, audit procedures, corporate social responsibility, requirements for independent directors, director's liability, class action suits, and the inclusion of women directors on the boards of companies. The Companies Act is complemented by a set of rules that set out the procedure for compliance with the substantive provisions of the Companies Act

Shops and Establishments legislations in various states

The provisions of various Shops and Establishments legislations, as applicable, regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of inter-alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health, termination of services and safety measures and wages for overtime work.

Labour Laws

India has stringent labour related legislations. The Company is required to comply with certain labour laws, which include the Employees' Provident Funds and Miscellaneous Provisions Act 1952, Employees' State Insurance Act, 1948, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, Workmen Compensation Act, 1923, the Payment of Gratuity Act, 1972, Maternity Benefit Act, 1961 and the Payment of Wages Act, 1936, amongst others.

Intellectual Property

Intellectual Property in India enjoys protection under both common law and statute. Under statute, India provides for patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 and trademark protection under the Trademarks Act, 1999. The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement.

Other Regulations

Our Company is required to comply with the provisions of the Companies Act, SEBI Listing Regulations, various circulars and notifications issued by SEBI as applicable, labour laws, shops and establishment acts, various tax related legislations and other applicable statutes for its day-to-day operations.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Issuer's Absolute Responsibility

"The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Shelf Prospectus contains all information with regard to the issuer and this issue which is material in the context of the issue, that the information contained in the Shelf Prospectus is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading."

Authority for the Issue

At the meeting of the Board of Directors of our Company, held on May 20, 2024, the Directors approved the issue of NCDs to the public, upto an amount not exceeding ₹ 2,00,000 lakhs including a green shoe option, in one or more tranches. Further, the present borrowing is within the borrowing limits under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders at the AGM held on September 28, 2022.

The NCDs will be issued in one or more tranches up to the Shelf Limit, on terms and conditions as set out in the Relevant Tranche Prospectus for any Tranche Issue, as may be decided by the Chairman and Managing Director of the Company. Further, the Stock Allotment Committee has vide its resolution dated August 23, 2024 approved this Shelf Prospectus.

Prohibition by SEBI

Our Company, persons in control of our Company, Directors of our Company and/or our Promoters have not been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force. Further, no member of our promoter group has been prohibited or debarred by SEBI from accessing the securities market or dealing in securities due to fraud.

None of the promoters or directors of the issuer is a promoter or director of another company which is debarred from accessing the securities market or dealing in securities by SEBI.

Categorisation as a Wilful Defaulter

Our Company, our Directors and/or our Promoters have not been categorised as a Wilful Defaulter nor are they in default of payment of interest or repayment of principal amount in respect of debt securities issued to the public, for a period of more than six-months.

Declaration as a Fugitive Economic Offender

None of our Promoters or Directors have been declared as a Fugitive Economic Offender.

Other confirmations

None of our Company or our Directors or our Promoters, or person(s) in control of our Company was a promoter, director or person in control of any company which was delisted within a period of ten years preceding the date of this Shelf Prospectus, in accordance with Clause 40 (1) (b) of Chapter V of the SEBI Delisting Regulations.

No regulatory action is pending against the Issuer or its Promoters or Directors before SEBI or the Reserve Bank of India.

The Company confirms that there are no fines or penalties levied by SEBI or the Stock Exchange pending to be paid by the Company as on the date of this Draf Shelf Prospectus.

Further, it is confirmed that:

i. Our Company is in compliance with applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and any other guidelines so specified by SEBI;

ii. Our Company has a net worth of at least rupees five hundred crore, as per the audited balance sheet of the preceding financial year i.e. Fiscal 2024;

iii. Our Company has a consistent track record of operating profits for the last three financial years i.e. Fiscal 2024, Fiscal 2023 and Fiscal 2022;

iv. securities to be issued have been assigned a rating of **not less than "AA-"** category or equivalent by a credit rating agency registered with SEBI;

v. No regulatory action is pending against the issuer or its promoters or directors before SEBI or RBI.

vi. Our Company is not in default for:
   a. the repayment of deposits or interest payable thereon; or
   b. redemption of preference shares; or
   c. redemption of debt securities and interest payable thereon; or
   d. payment of dividend to any shareholder; or
   e. repayment of any term loan or interest payable thereon,

   in the last three financial years and the current financial year.

VARDHMAN TRUSTEESHIP PRIVATE LIMITED HAS FURNISHED TO STOCK EXCHANGE A DUE DILIGENCE CERTIFICATE DATED AUGUST 8, 2024, AS PER THE FORMAT SPECIFIED IN SEBI DEBENTURE TRUSTEE MASTER CIRCULAR AND SCHEDULE IV OF THE SEBI NCS REGULATIONS WHICH READS AS FOLLOWS:

1. We have examined documents pertaining to the said issue and other such relevant documents, reports and certifications.
2. On the basis of such examination and of the discussions with the Issuer, its directors and other officers, other agencies and on independent verification of the various relevant documents, reports and certifications:

We confirm that:

a) The Issuer has made adequate provisions for and/or has taken steps to provide for adequate security for the debt securities to be issued and listed

b) The Issuer has obtained the permissions / consents necessary for creating security on the said property(ies).

c) The Issuer has made all the relevant disclosures about the security and also its continued obligations towards the holders of debt securities.

d) Issuer has adequately disclosed all Consents/ Permissions required for creation of further charge on assets in Offer Document or ~~Placement Memorandum/ Information Memorandum~~ and all disclosures made in the Offer Document or ~~Placement Memorandum/ Information Memorandum~~ with respect to creation of Security are in confirmation with the Clauses of Debenture Trustee Agreement.

e) Issuer has disclosed all covenants proposed to be included in debenture trust deed (including any side letter, accelerated payment clause etc.), offer document.

f) Issuer has given an undertaking that charge shall be created in favour of debenture trustee as per terms of issue before filing of listing application.

We have satisfied ourselves about the ability of the Issuer to service the debt securities.

Our Company has submitted the due diligence certificate from Debenture Trustee to the Stock Exchange as per format specified in Annexure II - A of the SEBI Debenture Trustee Master Circular and Schedule IV of the SEBI NCS Regulations.

Terms and Conditions of Debenture Trustee Agreement

Fees charged by Debenture Trustee

The Debenture Trustee has agreed for one time acceptance fees of ₹ 5,00,000 plus applicable taxes, payable one time on acceptance of Offer Letter and an annuity fee of ₹ 5,00,000 plus applicable taxes payable annually in advance from the date of execution till the redemption and satisfaction of charges in full, as disclosed in their offer letter bearing reference number CL/MUM/24-25/DEB/23 dated May 17, 2024.

Terms of carrying out due diligence:

(a) The Debenture Trustee, either through itself or its agents /advisors/consultants, shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in the Draft Shelf Prospectus/Shelf Prospectus and relevant Tranche Prospectus, has been obtained. For the purpose of carrying out the due diligence as required in terms of the Relevant Laws, the Debenture Trustee, either through itself or its agents /advisors/consultants, shall have the power to examine the books of account of the Company and to have the Company's assets inspected by its officers and/or external auditors/valuers/consultants/lawyers/technical experts/management consultants appointed by the Debenture Trustee.

(b) The Company shall provide all assistance to the Debenture Trustee to enable verification from the Registrar of Companies, Sub-registrar of Assurances (as applicable), CERSAI, depositories, information utility or any other authority, as may be relevant, where the assets and/or encumbrances in relation to the assets of the Company or any third party security provider are registered / disclosed.

(c) Further, in the event that existing charge holders have provided conditional consent / permissions to the Company to create further charge on the assets, the Debenture Trustee shall also have the power to verify such conditions by reviewing the relevant transaction documents or any other documents executed between existing charge holders and the Company. The Debenture Trustee shall also have the power to intimate the existing charge holders about proposal of creation of further encumbrance and seeking their comments/ objections, if any.

(d) Without prejudice to the aforesaid, the Company shall ensure that it provides and procures all information, representations, confirmations and disclosures as may be required in the sole discretion of the Debenture Trustee to carry out the requisite diligence in connection with the issuance and allotment of the Debentures, in accordance with the relevant laws/ Applicable Law.

(e) The Debenture Trustee shall have the power to either independently appoint, or direct the Company to (after consultation with the Debenture Trustee) appoint intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities in order to assist in the diligence by the Debenture Trustee. All costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports/certificates/documentation, including all out of pocket expenses towards legal or inspection costs, travelling and other costs, shall be solely borne by the Company.

(f) The Secured Debentures shall be considered as secured only if the charged asset is registered with Sub-registrar and Registrar of Companies or CERSAI or Depository, etc, as applicable, or is independently verifiable by the debenture trustee.

Process of Due Diligence to be carried out by the Debenture Trustee

Due Diligence will be carried out as per SEBI (Debenture Trustees) Regulations, 1993, SEBI NCS Regulations and circulars issued by SEBI from time to time. This would broadly include the following:

- A Chartered Accountant ("**CA**") appointed by Debenture Trustee will conduct independent due diligence as per scope provided, regarding security offered by the Issuer.

- CA will ascertain, verify, and ensure that the assets offered as security by the Issuer is free from any encumbrances or necessary permission / consent / NOC has been obtained from all existing charge holders.

- CA will conduct independent due diligence on the basis of data / information provided by the Issuer.

- CA will, periodically undertake due diligence as envisaged in SEBI circulars depending on the nature of security.

- On basis of the CA's report / finding Due Diligence certificate will be issued by Debenture Trustee and will be filed with relevant Stock Exchange.

- Due Diligence conducted is premised on data / information made available to the Debenture Trustee appointed agency and there is no onus of responsibility on Debenture Trustee or its appointed agency for any acts of omission / commission on the part of the Issuer.

While the Debt Security is secured as per terms of the Offer Document and charge is held in favour of the Debenture Trustee, the extent of recovery would depend upon realization of asset value and the Debenture Trustee in no way guarantees / assures full recovery / partial of either principal or interest.

Other Confirmations

The Debenture Trustee confirms that they have undertaken the necessary due diligence in accordance with Applicable Law, including the SEBI (Debenture Trustees) Regulations, 1993, read with the SEBI Debenture Trustee Master Circular.

The Debenture Trustee undertakes that the NCDs shall be considered as secured only if the charged asset is registered with sub-registrar and Registrar of Companies or CERSAI or depository, etc., as applicable, or is independently verifiable by the Debenture Trustee.

Disclaimer Statement from the Issuer and Lead Manager

THE ISSUER AND THE LEAD MANAGER ACCEPT NO RESPONSIBILITY FOR STATEMENTS MADE OTHERWISE THAN IN THE ISSUE DOCUMENT OR IN THE ADVERTISEMENT OR ANY OTHER MATERIAL ISSUED BY OR AT THE INSTANCE OF THE ISSUER AND THAT ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT THEIR OWN RISK.

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGER(S) HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED TIME.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER NUVAMA WEALTH MANAGEMENT LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED AUGUST 23, 2024, WHICH READS AS FOLLOWS:

WITH RESPECT TO THE CAPTIONED ISSUE, WE, THE LEAD MANAGER TO THE ISSUE CONFIRM THAT:

1. **NEITHER THE ISSUER NOR ITS PROMOTERS OR DIRECTORS HAVE BEEN PROHIBITED FROM ACCESSING THE CAPITAL MARKET UNDER ANY ORDER OR DIRECTION PASSED BY THE BOARD. WE ALSO CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**

2. **ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN THE PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUE OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE**

NCDS OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE WILL BE GIVEN.

3. THE PROSPECTUS CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021, AS AMENDED.

4. ALL RELEVANT PROVISIONS OF THE COMPANIES ACT, 2013, SECURITIES CONTRACTS (REGULATION) ACT, 1956, SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES, REGULATIONS, GUIDELINES, CIRCULARS ISSUED THEREUNDER, EACH AS AMENDED, ARE COMPLIED WITH.

WE CONFIRM THAT WE HAVE NOT RECEIVED ANY COMMENTS ON THE DRAFT SHELF PROSPECTUS DATED AUGUST 8, 2024, FILED ON THE WEBSITE OF BSE LIMITED. BSE LIMITED SHALL BE THE DESIGNATED STOCK EXCHANGE FOR THE ISSUE.

Disclaimer Clause of BSE

BSE LIMITED ("THE EXCHANGE") HAS GIVEN, VIDE ITS APPROVAL LETTER DATED AUGUST 21, 2024, PERMISSION TO THIS COMPANY TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS COMPANY'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS COMPANY. THE EXCHANGE DOES NOT IN ANY MANNER:

A. WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; OR
B. WARRANT THAT THIS COMPANY'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; OR
C. TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS COMPANY, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS COMPANY.

AND IT SHOULD NOT FOR ANY REASON BE DEEMED OR CONSTRUED THAT THIS OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY THE EXCHANGE. EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRES ANY SECURITIES OF THIS COMPANY MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION/ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR FOR ANY OTHER REASON WHATSOEVER.

Disclaimer Clause of RBI

THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED JULY 23, 2002 BEARING REGISTRATION NO. N-16.00170 ISSUED BY THE RESERVE BANK OF INDIA UNDER SECTION 45 IA OF THE RESERVE BANK OF INDIA ACT, 1934. HOWEVER, RBI DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE COMPANY AND FOR REPAYMENT OF DEPOSITS/DISCHARGE OF LIABILITY BY THE COMPANY.

Disclaimer Clause of CRISIL (Industry Report)

CRISIL MARKET INTELLIGENCE AND ANALYTICS (MI&A), A DIVISION OF CRISIL LIMITED ("CRISIL") HAS TAKEN DUE CARE AND CAUTION IN PREPARING THIS REPORT ("REPORT") BASED ON THE INFORMATION OBTAINED BY CRISIL FROM SOURCES WHICH IT CONSIDERS RELIABLE ("DATA"). THIS REPORT IS NOT A RECOMMENDATION TO INVEST / DISINVEST IN ANY ENTITY COVERED IN THE REPORT AND NO PART OF THIS REPORT SHOULD BE CONSTRUED AS

AN EXPERT ADVICE OR INVESTMENT ADVICE OR ANY FORM OF INVESTMENT BANKING WITHIN THE MEANING OF ANY LAW OR REGULATION. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, NOTHING IN THE REPORT IS TO BE CONSTRUED AS CRISIL PROVIDING OR INTENDING TO PROVIDE ANY SERVICES IN JURISDICTIONS WHERE CRISIL DOES NOT HAVE THE NECESSARY PERMISSION AND/OR REGISTRATION TO CARRY OUT ITS BUSINESS ACTIVITIES IN THIS REGARD. MUTHOOT FINCORP LIMITED WILL BE RESPONSIBLE FOR ENSURING COMPLIANCES AND CONSEQUENCES OF NON-COMPLIANCES FOR USE OF THE REPORT OR PART THEREOF OUTSIDE INDIA. CRISIL MI&A OPERATES INDEPENDENTLY OF AND DOES NOT HAVE ACCESS TO INFORMATION OBTAINED BY CRISIL RATINGS LIMITED WHICH MAY, IN THEIR REGULAR OPERATIONS, OBTAIN INFORMATION OF A CONFIDENTIAL NATURE. THE VIEWS EXPRESSED IN THIS REPORT ARE THAT OF CRISIL MI&A AND NOT OF CRISIL RATINGS LIMITED. NO PART OF THIS REPORT MAY BE PUBLISHED/REPRODUCED IN ANY FORM WITHOUT CRISIL'S PRIOR WRITTEN APPROVAL.

Disclaimer Clause of CRISIL

A RATING BY CRISIL RATNGS REFLECTS CRISIL RATINGS' CURRENT OPINION ON THE LIKELIHOOD OF TIMELY PAYMENT OF OBLIGATIONS UNDER THE RATED INSTRUMENT AND DOES NOT CONSTITUTE AN AUDIT OF THE RATED ENTITY BY CRISIL RATINGS. OUR RATINGS ARE BASED ON INFORMATION PROVIDED BBY THE ISSUER OR OBTAIEND BY CRISIL RATINGS FROM SOURCES IT CONSIDERS RELIABLE. CRISIL RATINGS DOES NOT GUARANTEE THE COMPLETENESS OR ACCURACY OF THE INFORMATION ON WHICH THE RATING IS BASED. A RATING BY CRISIL RATINGS IS NOT A RECOMMENDATION TO BUY / SELL OR HOLD THE RATED INSTRUMENT; IT DOES NOT COMMENT ON THE MARKET PRICE OR SUITABILITY FOR A PARTICULAR INVESTOR. CRIISL RATINGS HAS A PRACTICE OF KEEPING ALL ITS RATINGS UNDER SURVEILLANCE AND RATINGS ARE REVISED AS AND WHEN CIRCUMSTANCES SO WARRANT. CRISIL RATINGS IS NOT RESPONSIBLE FOR ANY ERRORS AND ESPECIALLY STATES THAT IT HAS NO FINANCIAL LIABILITY WHATSOEVER TO THE SUBSCRIBERS / USERS / TRANSMITTERS / DISTRIBUTORS OF ITS RATINGS. CRISIL RATINGS CRITERIA ARE AVAILABLE WITHOUT CHANGE TO THE PUBLIC ON THE WEBSITE, WWW.CRISILRATINGS.COM. CRISIL RATINGS OR ITS ASSOCIATES MAY HAVE OTHER COMMERCIAL TRANSACTIONS WITH THE COMPANY/ENTITY.

DISCLAIMER IN RESPECT OF JURISDICTION

THE ISSUE IS BEING MADE IN INDIA, TO INVESTORS FROM CATEGORY I, CATEGORY II AND CATEGORY III. THE DRAFT SHELF PROSPECTUS, THE SHELF PROSPECTUS AND RELEVANT TRANCHE PROSPECTUS WILL NOT, HOWEVER CONSTITUTE AN OFFER TO SELL OR AN INVITATION TO SUBSCRIBE FOR THE NCDS OFFERED HEREBY IN ANY JURISDICTION OTHER THAN INDIA TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE AN OFFER OR INVITATION IN SUCH JURISDICTION. ANY PERSON INTO WHOSE POSSESSION THE DRAFT SHELF PROSPECTUS, THIS SHELF PROSPECTUS AND RELEVANT TRANCHE PROSPECTUS COMES IS REQUIRED TO INFORM HIMSELF OR HERSELF ABOUT, AND TO OBSERVE, ANY SUCH RESTRICTIONS.

UNDERTAKING BY THE ISSUER

INVESTORS ARE ADVISED TO READ THE RISK FACTORS CAREFULLY BEFORE TAKING AN INVESTMENT DECISION IN THIS ISSUE. FOR TAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE OFFER INCLUDING THE RISKS INVOLVED. THE NCDs HAVE NOT BEEN RECOMMENDED OR APPROVED BY ANY REGULATORY AUTHORITY IN INDIA, INCLUDING THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) NOR DOES SEBI GUARANTEE THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. SPECIFIC ATTENTION OF INVESTORS IS INVITED TO THE STATEMENT OF THE "RISK FACTORS" CHAPTER ON PAGE 19 OF THIS SHELF PROSPECTUS.

OUR COMPANY, HAVING MADE ALL REASONABLE INQUIRIES, ACCEPTS RESPONSIBILITY FOR, AND CONFIRMS THAT THIS SHELF PROSPECTUS CONTAINS ALL INFORMATION WITH REGARD TO THE ISSUER AND THE ISSUE, THAT THE INFORMATION CONTAINED IN THIS SHELF

PROSPECTUS IS TRUE AND CORRECT IN ALL MATERIAL ASPECTS AND IS NOT MISLEADING IN ANY MATERIAL RESPECT, THAT THE OPINIONS AND INTENTIONS EXPRESSED HEREIN ARE HONESTLY HELD AND THAT THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH MAKE THIS SHELF PROSPECTUS AS A WHOLE OR ANY OF SUCH INFORMATION OR THE EXPRESSION OF ANY SUCH OPINIONS OR INTENTIONS MISLEADING IN ANY MATERIAL RESPECT.

THE COMPANY HAS NO SIDE LETTER WITH ANY DEBT SECURITIES HOLDER EXCEPT THE ONE(S) DISCLOSED IN THIS SHELF PROSPECTUS. ANY COVENANTS LATER ADDED SHALL BE DISCLOSED ON THE STOCK EXCHANGES WEBSITES.

OUR COMPANY DECLARES THAT NOTHING IN THIS SHELF PROSPECTUS IS CONTRARY TO THE PROVISIONS OF COMPANIES ACT, 2013 (18 OF 2013), THE SECURITIES CONTRACTS (REGULATION) ACT, 1956 AND THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES AND REGULATIONS MADE THEREUNDER.

Track record of past public issues handled by the Lead Manager

The track record of past issues handled by the Lead Manager, as required by SEBI NCS Regulations, are available at the following website:

Name of Lead Manager	Website
Nuvama Wealth Management Limited	www.nuvama.com

Listing

The NCDs proposed to be offered through this Issue are proposed to be listed on the BSE. An application will be made to BSE for permission to deal in and for an official quotation of our NCDs. BSE has been appointed as the Designated Stock Exchange.

Our Company will use best efforts to ensure that all steps for the completion of the necessary formalities for listing at the Stock Exchange are taken within 6 (six) Working Days of the Issue Closing Date. For the avoidance of doubt, it is hereby clarified that in the event of non-subscription or failure to achieve minimum subscription to any one or more of the Series, such Series(s) of NCDs shall not be listed.

For the avoidance of doubt, it is hereby clarified that in the event of zero subscription to any one or more of the series,
such NCDs with series shall not be listed.

If permissions to deal in and for an official quotation of our NCDs are not granted by BSE, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of this Shelf Prospectus.

The Issuer shall pay interest at 15% (fifteen) per annum or such rate as prescribed under applicable laws, if Allotment is
not made and refund orders/allotment letters are not dispatched and/or demat credits are not made to investors within 5
Working Days of the Issue Closing Date or date of refusal of the Stock Exchange(s), whichever is earlier. In case listing permission is not granted by the Stock Exchange(s) to the Issuer and if such money is not repaid within the day the Issuer
becomes liable to repay it on such account, the Issuer and every officer in default shall, on and from expiry of such date,
be liable to repay the money with interest at the rate of 15% as prescribed under Regulation 35(2) of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with Section 26 of the 2013 Act or such rate as prescribed
under applicable laws, whichever is lower, provided that the beneficiary particulars relating to such Applicants as given by the Applicants is valid at the time of the upload of the demat credit.

Consents

Consents in writing of (a) Directors of our Company; (b) Company Secretary and Compliance Officer; (c) Chief Financial Officer; (d) Joint Statutory Auditors; (e) legal advisor to the Issue; (f) Lead Manager; (g) the Registrar to the

Issue; (h) Credit Rating Agencies; (i) the Debenture Trustee; and; (j) CRISIL for the industry report titled Gold Loans released in July 2024; to act in their respective capacities, have been obtained and will be filed along with a copy of the Shelf Prospectus and the relevant Tranche Prospectus with the RoC as required under Section 26 of the Companies Act, 2013 and such consents have not been withdrawn up to the time of delivery of this Shelf Prospectus with the Stock Exchange.

The Issuer has received the written consent dated August 23, 2024, from Joint Statutory Auditors of our Company, namely Krishnan Retna & Associates and Rangamani and Co., to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI NCS Regulations, in this Shelf Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Joint Statutory Auditors, and in respect of the (a) Audited Standalone Financial Statement for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022 and Audited Consolidated Financial Statement for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022; and (b) limited review report dated August 13, 2024 for the Unaudited Standalone Financial Results of the Company for the quarter ended June 30, 2024; and (c) the statement of possible tax benefits dated August 23, 2024, which appear in this Shelf Prospectus, and such consent has not been withdrawn as on the date of this Shelf Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act, 1993.

Our Company has also received consents from the relevant lenders, debenture trustees and security trustees for ceding subservient charge in relation to the NCDs.

Expert Opinion

The Issuer has received the written consent dated August 23, 2024, from Joint Statutory Auditors of our Company, namely Krishnan Retna & Associates and Rangamani and Co., to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI NCS Regulations, in this Shelf Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Joint Statutory Auditors, and in respect of the (a) Audited Standalone Financial Statement for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022 and Audited Consolidated Financial Statement for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022; (b) limited review report dated August 13, 2024 for the Unaudited Standalone Financial Results of the Company for the quarter ended June 30, 2024; and (c) the statement of possible tax benefits dated August 23, 2024, which appear in this Shelf Prospectus, and such consent has not been withdrawn as on the date of this Shelf Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act, 1993.

Common form of Transfer

We undertake that there shall be a common form of transfer for the NCDs held in dematerialised form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant Depository Participants of the transferor or transferee and any other applicable laws and rules notified in respect thereof.

Filing of the Draft Shelf Prospectus

The Draft Shelf Prospectus has been filed with the designated Stock Exchange in terms of Regulation 27 of the SEBI NCS Regulations for dissemination on its website. The Draft Shelf Prospectus has also been displayed on the website of the Issuer and the Lead Manager.

Filing of the Shelf Prospectus and relevant Tranche Prospectus

Our Company is eligible to file the Shelf Prospectus and relevant Tranche Prospectus as per requirements of Regulation 41(1)(c) of SEBI NCS Regulations. The Shelf Prospectus and relevant Tranche Prospectus has been filed with the RoC in accordance with Section 26 and Section 31 of the Companies Act, 2013.

Debenture Redemption Reserve ("DRR")

In accordance with recent amendments to the Companies Act, 2013, and the Companies (Share Capital and Debentures) Rules 2014, read with Regulation16 of the SEBI NCS Regulations, any non-banking finance company that intends to issue debentures to the public are no longer required to create a DRR for the purpose of redemption of debentures. The Government, in the union budget for the Financial Year 2019-2020 had announced that non-banking finance companies raising funds in public issues would be exempt from the requirement of creating a DRR.

Pursuant to the amendment to the Companies (Share Capital and Debentures) Rules 2014, notified on August 16, 2019, and as on the date of filing of this Shelf Prospectus, the Company is not required to create DRR for the purpose of redemption of the NCDs. Accordingly, no debenture redemption reserve shall be created by our Company for the purpose of redemption of the NCDs or in connection with the Issue. The Company shall, as per the Companies (Share Capital and Debentures) Rules 2014 and other laws applicable from time to time, invest or deposit, as the case may be, the applicable amounts, within the specified timelines, in respect of debentures maturing during the year ending on the 3lst day of March of the next year, in any one or more methods of investments or deposits stipulated under the applicable law. Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below the specified percentage, which is presently stipulated at 15% (fifteen percent) of the amount of the debentures maturing during the year ending on March 31 of the next year, in any of the following instruments or such other instruments as may be permitted under the applicable laws.

1. in deposits with any scheduled bank, free from any charge or lien
2. in unencumbered securities of the Central Government or any State Government;
3. in unencumbered securities mentioned in sub-clause (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882;
4. in unencumbered bonds issued by any other company which is notified under sub-clause (f) of section 20 of the Indian Trusts Act, 1882:

Provided further that the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above.

Recovery Expense Fund

The Issuer has already created a recovery expense fund in the manner as specified by SEBI in SEBI NCS Master Circular for Debenture Trustees bearing reference no. SEBI/HO/DDHS-PoD3/P/CIR/2024/46 dated May 16, 2024, as amended from time to time and Regulation 11 of the SEBI NCS Regulations with the Designated Stock Exchange and informed the Debenture Trustee regarding the creation of such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by the Issuer under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.

Inter-se allocation of responsibility

The following table sets forth the responsibilities for various activities by the Lead Manager:

Sr. No.	Activities	Responsibility	Coordinator
1.	• Due diligence of Company's operations/ management/ business plans/ legal etc. • Drafting and designing of the offering document. (The Managers shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchange, RoC and SEBI including finalization of Offering Document and RoC filing). Draft Shelf Prospectus, Shelf Prospectus and relevant Tranche Prospectus (together "Offer Documents") • Coordination with the Stock Exchange for in-principle approval	Nuvama	Nuvama
2.	Structuring of various issuance options with relative components and formalities etc.	Nuvama	Nuvama
3.	Co-ordination with auditors for auditor deliverables and co-ordination with lawyers for legal opinion	Nuvama	Nuvama
4.	Appointment of other intermediaries viz., Registrar, Debenture Trustee, Consortium/Syndicate Members, printer, advertising agency and Public Issue Bank, Refund Bank and Sponsor Bank.	Nuvama	Nuvama
5.	• Coordination with the printer for designing and finalization of Offer Documents, Application Form including memorandum containing salient features of the Offer Documents. • Drafting and approval of statutory advertisement	Nuvama	Nuvama
6.	Drafting and approval of all publicity material (excluding statutory advertisement as mentioned in 5 above) including print and online	Nuvama	Nuvama

Sr. No.	Activities	Responsibility	Coordinator
	advertisement, outdoor advertisement including brochures, banners, hoardings etc.		
7.	• Preparation of road show presentation, FAQs.	Nuvama	Nuvama
8.	Marketing strategy which will cover, inter alia: • Deciding on the quantum of the Issue material and follow-up on distribution of publicity and Issue material including Application Forms, Offer Documents, posters, banners, etc. • Finalise collection centres; • Coordinate with Registrar for collection of Application Forms by ASBA banks; • Finalisation of list and allocation of institutional investors for one on one meetings.	Nuvama	Nuvama
9.	Domestic institutions/banks/mutual funds marketing strategy: • Finalize the list and division of investors for one on one meetings, institutional allocation	Nuvama	Nuvama
10.	Non-institutional marketing strategy which will cover, inter alia: • Finalize media, marketing and public relation strategy and publicity budget; • Finalize centers for holding conferences for brokers, etc.	Nuvama	Nuvama
11.	Coordination with the Stock Exchange for use of the bidding software	Nuvama	Nuvama
12.	• Coordination for security creation by way of execution of Debenture Trust Deed	Nuvama	Nuvama
13.	Post-issue activities including - • Co-ordination with Bankers to the Issue for management of Public Issue Account(s), Refund Account and any other account and • Allotment resolution	Nuvama	Nuvama
14.	• Drafting and finalization of post issue stationery items like, allotment and refund advice, etc.; • Coordination for generation of ISINs; • Corporate action for dematerialized credit /delivery of securities; • Coordinating approval for listing and trading of securities; and • Redressal of investor grievances in relation to post issue activities.	Nuvama	Nuvama

Issue related expenses

For details of Issue related expenses, see "*Objects of the Issue*" on page 59.

Reservation

No portion of this Issue has been reserved.

Public issue of Equity Shares

Our Company has not made any public issue of Equity Shares in the last three years.

Except as stated below, none of our subsidiaries has made a public issue of Equity Shares in the last three years:

Issuer company	Muthoot Microfin Limited
Date of Opening	December 18, 2023
Date of Closing	December 20, 2023
Total Issue Size in Lakhs	96,000 (including OFS)
Amount raised in the issue in Lakhs	96,000 (including OFS)
Date of listing	December 26, 2023

Date of Allotment	December 21, 2023
Utilisation of Proceeds	The Net Proceeds have been utilised for increasing business of Muthoot Microfin Limited which is towards onward lending, which is expected to arise out of growth in the company's business and assets, primarily towards onward lending under the company's lending verticals.

None of our Group Companies has made a public issue of Equity Shares in the last three years.

Details of previous public issues of NCDs by the Company

On March 31, 2021, the Company issued secured and unsecured redeemable non-convertible debentures of face value of ₹ 1,000 each for an amount aggregating to ₹ 40,000 lakhs by way of public issue which opened on April 7, 2021 and closed on April 29, 2021. The electronic credit of the bonds to investors pursuant to this public offer was completed on May 7, 2021. 99.42% and 0.58% of the issue proceeds were used for on-lending and towards issue expenses, respectively.

On September 27, 2021, the Company issued secured and unsecured redeemable non-convertible debentures of face value of ₹ 1,000 each for an amount aggregating to ₹ 40,000 lakhs by way of public issue which opened on September 30, 2021 and closed on October 26, 2021. The electronic credit of the bonds to investors pursuant to this public offer was completed on October 29, 2021. 99.63% and 0.37% of the issue proceeds were used for on-lending and towards issue expenses, respectively.

On December 30, 2021, the Company issued secured redeemable non-convertible debentures of face value of ₹ 1,000 each for an amount aggregating to ₹ 40,000 lakhs by way of public issue which opened on January 5, 2022 and closed on January 28, 2022. The electronic credit of the bonds to investors pursuant to this public offer was completed on February 2, 2022. 99.54% and 0.46% of the issue proceeds were used for on-lending and towards issue expenses, respectively.

On August 03, 2022, the Company issued secured redeemable non-convertible debentures of face value of ₹ 1,000 each for an amount aggregating to ₹ 50,000 lakhs by way of public issue which opened on August 05, 2022 and closed on September 01, 2022. The electronic credit of the bonds to investors pursuant to this public offer was completed on September 06, 2022. 99.62% and 0.38% of the issue proceeds were used for on-lending and towards issue expenses, respectively.

On December 29, 2022, the Company issued secured redeemable non-convertible debentures of face value of ₹ 1,000 each for an amount aggregating to ₹ 40,000 lakhs by way of public issue which opened on January 2, 2023 and closed on January 27, 2023. The electronic credit of the bonds to investors pursuant to this public offer was completed on February 2, 2023. 99.51% and 0.49% of the issue proceeds were used for on-lending and towards issue expenses, respectively.

On March 29, 2023, the Company issued secured redeemable non-convertible debentures of face value of ₹ 1,000 each for an amount aggregating to ₹ 30,000 lakhs by way of public issue which opened on April 12, 2023 and closed on April 26, 2023. The electronic credit of the bonds to investors pursuant to this public offer was completed on May 2, 2023. 99.01% and 0.99% of the issue proceeds were used for on-lending and towards issue expenses, respectively.

On August 23, 2023, the Company issued secured redeemable non-convertible debentures of face value of ₹ 1,000 each for an amount aggregating to ₹ 40,000 lakhs by way of public issue which opened on September 1, 2023 and closed on September 14, 2023. The electronic credit of the bonds to investors pursuant to this public offer was completed on September 20, 2023. 99.30% and 0.70% of the issue proceeds were used for on-lending and towards issue expenses, respectively.

On September 28, 2023, the Company issued secured redeemable non-convertible debentures of face value of ₹ 1,000 each for an amount aggregating to ₹ 22,500 lakhs by way of public issue which opened on October 13, 2023 and closed on October 27, 2023. The electronic credit of the bonds to investors pursuant to this public offer was completed on November 1, 2023. 98.65% and 1.35% of the issue proceeds were used for on-lending and towards issue expenses, respectively.

On December 28, 2023, the Company issued secured redeemable non-convertible debentures of face value of ₹ 1,000 each for an amount aggregating to ₹ 30,000 lakhs by way of public issue which opened on January 12, 2024 and closed on January 25, 2024. The electronic credit of the bonds to investors pursuant to this public offer was completed on

January 31, 2024. 99.08%. and 0.92 % of the issue proceeds were used for on-lending and towards issue expenses, respectively.

On March 28, 2024, the Company issued secured redeemable non-convertible debentures of face value of ₹ 1,000 each for an amount aggregating to ₹ 36,000 lakhs by way of public issue which opened on April 10, 2024 and closed on April 25, 2024. The electronic credit of the bonds to investors pursuant to this public offer was completed on April 30,2024 ..99.29%. and 0.71 % of the issue proceeds were used for on-lending and towards issue expenses, respectively.

Delay in listing

There has been no delay in the listing of any non-convertible securities issued by our Company

In the event of failure to list securities issued pursuant to this Issue within such days from the date of closure of issue as may be specified by the Board (scheduled listing date), all application moneys received or blocked in the public issue shall be refunded or unblocked forthwith within two working days from the scheduled listing date to the applicants through the permissible modes of making refunds and unblocking of funds. For delay in refund/unblocking of funds beyond the timeline as specified above, the issuer shall be liable to pay interest at the rate of fifteen percent per annum to the investors from the scheduled listing date till the date of actual payment.

Default in payment

In case of default (including delay) in payment of interest and/ or redemption of principal on the due dates for debt securities issued, additional interest of at least 2% p.a. over the coupon rate shall be payable by the issuer for the defaulting period.

Dividend

Our Company has in place dividend distribution policy approved by the Board of Directors of our Company. The declaration and payment of dividends on our shares will be recommended by our Board of Directors and approved by our shareholders (except interim dividend), at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition.

Our Company has declared the following dividend over the current financial year as on August 20, 2024 and last three financial years:

On standalone basis:

(*₹ in lakhs*)

Particulars		**For the year ended March 31,**			
		From April 1, 2024 till August 20, 2024	**2024 (Audited)**	**2023 (Audited)**	**2022 (Audited)**
Equity Share Capital (₹ in lakhs)		19,371.35	19,370.56	19,370.56	19,370.56
Face Value Per Equity Share (₹)	(a)	10.00	10.00	10.00	10.00
Dividend on Equity Shares (₹ per Equity Share)	(b)	-	10.78	0.70	6.00
Total dividend on Equity Shares		-	20,881.46	1,355.94	11,622.33
Dividend Declared Rate (in %)	(c=b/a)	-	107.80%	7.00%	60.00%
Dividend Distribution Tax		-	-	-	-

On consolidated basis:

(*₹ in lakhs*)

Particulars		**For the year ended March 31,**			
		From April 1, 2024 till August 20, 2024	**2024 (Audited)**	**2023 (Audited)**	**2022 (Audited)**

Equity Share Capital (₹ in lakhs)		19,371.35	19,370.56	19,370.56	19,370.56
Face Value Per Equity Share (₹)	(a)	10.00	10.00	10.00	10.00
Dividend on Equity Shares (₹ per Equity Share)	(b)	-	10.78	0.70	6.00
Total dividend on Equity Shares		-	20,881.46	1,355.94	11,622.33
Dividend Declared Rate (in %)	(c=b/a)	-	107.80%	7.00%	60.00%
Dividend Distribution Tax		-	-	-	-

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Cochin, India.

Commission or Brokerage on Previous Issues

An expense of ₹ 345 lakhs was incurred towards commission and brokerage in connection with the public issue of secured non-convertible debentures of face value ₹1,000 each aggregating to ₹300,00,00,000 pursuant to the prospectus dated September 21, 2015.

An expense of ₹18 lakhs was incurred towards commission and brokerage in connection with the public issue of secured and unsecured non-convertible debentures of face value ₹1,000 each aggregating to ₹247,16,93,000 pursuant to the prospectus dated September 4, 2014.

An expense of ₹11 lakhs was incurred towards commission and brokerage in connection with the public issue of secured non-convertible debentures of face value ₹1,000 each aggregating to ₹193,98,72,000 pursuant to the prospectus dated June 25, 2014.

An expense of ₹8.73 lakhs was incurred towards commission and brokerage in connection with the public issue of secured non-convertible debentures of face value ₹1,000 each aggregating to ₹417,03,81,000 pursuant to the prospectus dated September 13, 2019.

An expense of ₹17.70 lakhs was incurred towards commission and brokerage in connection with the public issue of secured non-convertible debentures of face value ₹1,000 each aggregating to ₹ 321,61,24,000 pursuant to the prospectus dated January 6, 2020.

An expense of ₹ 8.71 lakhs was incurred towards commission and brokerage in connection with the public issue of secured non-convertible debentures of face value ₹1,000 each aggregating to ₹ 160,00,00,000 pursuant to the prospectus dated June 25, 2020.

An expense of ₹ 84.73 lakhs was incurred towards commission and brokerage in connection with the public issue of secured redeemable non-convertible debentures of face value ₹1,000 each aggregating to ₹ 40,000 lakhs pursuant to the prospectus dated September 24, 2020.

An expense of ₹ 36.43 lakhs was incurred towards commission and brokerage in connection with the public issue of secured redeemable non-convertible debentures of face value ₹1,000 each aggregating to ₹ 40,000 lakhs pursuant to the prospectus dated December 28, 2020.

An expense of ₹ 31.72 lakhs was incurred towards commission and brokerage in connection with the public issue of secured redeemable non-convertible debentures of face value ₹1,000 each aggregating to ₹ 40,000 lakhs pursuant to the prospectus dated March 31, 2021.

An expense of ₹ 32.49 lakhs was incurred towards commission and brokerage in connection with the public issue of secured redeemable non-convertible debentures of face value ₹1,000 each aggregating to ₹ 40,000 lakhs pursuant to the prospectus dated September 27, 2021.

An expense of ₹ 64.71 lakhs was incurred towards commission and brokerage in connection with the public issue of secured redeemable non-convertible debentures of face value ₹1,000 each aggregating to ₹ 40,000 lakhs pursuant to the prospectus dated December 30, 2021.

An expense of ₹ 25.57 lakhs was incurred towards commission and brokerage in connection with the public issue of secured redeemable non-convertible debentures of face value ₹1,000 each aggregating to ₹ 50,000 lakhs pursuant to the prospectus dated August 03, 2022.

An expense of ₹ 16.17 lakhs was incurred towards commission and brokerage in connection with the public issue of secured redeemable non-convertible debentures of face value ₹1,000 each aggregating to ₹ 40,000 lakhs pursuant to the prospectus dated December 29, 2022.

An expense of ₹ 22.70 lakhs was incurred towards commission and brokerage in connection with the public issue of secured redeemable non-convertible debentures of face value ₹1,000 each aggregating to ₹ 30,000 lakhs pursuant to the prospectus dated March 29, 2023.

An expense of ₹ 31.10 lakhs was incurred towards commission and brokerage in connection with the public issue of secured redeemable non-convertible debentures of face value ₹1,000 each aggregating to ₹ 40,000 lakhs pursuant to the tranche I prospectus dated August 23, 2023.

An expense of ₹ 212.77 lakhs was incurred towards commission and brokerage in connection with the public issue of secured redeemable non-convertible debentures of face value ₹1,000 each aggregating to ₹ 22,500 lakhs pursuant to the tranche II prospectus dated September 28, 2023.

An expense of ₹ 209.63 lakhs was incurred towards commission and brokerage in connection with the public issue of secured redeemable non-convertible debentures of face value ₹1,000 each aggregating to ₹ 30,000 lakhs pursuant to the tranche III prospectus dated December 28, 2023.

An expense of ₹ 120.93 lakhs was incurred towards commission and brokerage in connection with the public issue of secured redeemable non-convertible debentures of face value ₹1,000 each aggregating to ₹ 36,000 lakhs pursuant to the tranche IV prospectus dated March 28, 2024.

Details of the use of proceeds for on-lending from previous public issue of debt securities

Lending Policy

Please see "*Our Company's Business–Gold loans*" under Chapter "*Our Business*" at page 111.

Loans given by the Company

Company has not provided any loans/advances to associates, entities/persons relating to Board, senior management or Promoters out of the proceeds of the previous public issue and private placements of debentures.

Classification of loans/advances given to Group entities/Promoters as on March 31, 2024:

(₹ in lakhs)

Sr. No.	Name of the Borrower	Amount of Advance/ exposure to such borrower (₹ in lakhs) (A)	Percentage of Exposure
1	Thomas John Muthoot	5,258.08	0.24%
2	Thomas George Muthoot	5,258.08	0.24%
3	Thomas Muthoot	5,258.08	0.24%

Types of loans

Classification of loans/advances given

The loans given by the Company as on March 31, 2024 is as follows:

Type of Loans	March 31, 2024	
	Amount *(₹ in lakhs)*	Percentage
Secured	21,59,693.53	99.47
Unsecured	11,540.60	0.53
Total assets under management (AUM) *	21,71,234.13	100.00

**Assets under Management includes the gross total loan assets and interest accrued on loans before provision for impairment and is net of* *unamortized processing fee*

Sectoral Exposure

The sectoral exposure of loans given by the Company as on March 31, 2024 is as follows:

Sr. No	Segment- wise breakup of AUM	Percentage of AUM as on March 31, 2024
1.	**Retail**	
A	Mortgages (home loans and loans against property)	8.21%
B	Gold loans	89.82%
C	Vehicle Finance	0.00%
D	MFI	0.00%
E	MSME	1.97%
F	Capital market funding (loans against shares, margin funding)	0.00%
G	Others	0.00%
2.	**Wholesale**	
A	Infrastructure	0.00%
B	Real estate (including builder loans)	0.00%
C	Promoter funding	0.00%
D	Any other sector (as applicable)	0.00%
E	Others	0.00%
	Total	100.0%

Residual Maturity Profile of Assets and Liabilities as on March 31, 2024

(₹in lakhs)

Particulars	Up to 30/ 31 days	More than 1 month to 2 months	More than 2 months to 3 months	More than 3 months to 6 months	More than 6monthsto 1 year	More than 1 year to 3 years	More than 3 to 5 years	More than 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances	248,769.68	68,052.26	55,864.56	194,192.47	14,02,624.96	40,487.59	32,284.41	99,229.15	21,41,505.08
Investments	5,279.04	-	-	-	997.61	-	275.38	190,533.72	197,085.75
Borrowings	170,566.23	9,557.92	67,292.54	148,922.07	764,204.09	516,382.28	194622.08	106,006.99	19,77,554.20
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	2,778.00	44,915.29	6,500.00	-	-	-	-	-	54,193.29

Denomination of loans outstanding by ticket size as on March 31, 2024*:

Sr. No.	Ticket Size	Percentage of Gold loan
1	Up to ₹ 2 lakhs	62.54%
2	2 lakhs to 5 lakhs	13.53%
3	5 lakhs to 10 lakhs	15.71%
4	10 lakhs to 25 lakhs	7.58%
5	25 lakhs to 50 lakhs	0.62%
6	50 lakhs to 1 crore	0.02%
7	1 crore to 5 crores	0.00%
8	5 crores to 25 crores	0.00%
9	25 crores to 100 crores	0.00%
10	above 100 crores	0.00%
	Total	**100.00%**

** Ticket size at the time of origination*

Denomination of loans outstanding by LTV as on March 31, 2024*:

Sr. No.	LTV	Percentage of AUM
1.	Up to 40%	2.05%
2.	40%-50%	2.44%
3.	50%-60%	5.57%
4.	60%-70%	19.15%
5.	70%-80%	60.91%
6.	80%-90%	9.88%
7.	More than 90%	0.00%
	Total	**100.00%**

**LTV at the time of origination*

Geographical classification of borrowers as on March 31, 2024:

Sr. No.	Top 5 states	Percentage of AUM
1	Karnataka	16.36%
2	Tamil Nadu	12.12%
3	Telangana	10.91%
4	Andhra Pradesh	10.37%
5	Maharashtra	9.25%
	Total	59.01%

Aggregated exposure to top 20 borrowers with respect to concentration of advances as on March 31, 2024:

Particulars	Amount (₹ in lakhs) as on March 31, 2024
Total Advances to twenty largest borrowers *(₹in lakhs)*	28,464
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	1.31%

Aggregated exposure to top 20 borrowers with respect to concentration of exposures as on March 31, 2024:

(in lakhs)

Particulars	Amount as on March 31, 2024	
	Secured	Unsecured
Total Exposures to twenty largest borrowers/Customers *(₹in lakhs)*	28,464	442
Percentage of Exposures to twenty largest borrowers/Customers to Total Advances of the NBFC on borrowers/Customers	1.31%	0.02%

Details of loans overdue and classified as non-performing in accordance with RBI's guidelines as on March 31, 2024:

Movement of gross NPA	Amount (₹ in lakhs)
Opening gross NPA	37,161.13
- Additions during the year	2,67,379.71
- Reductions during the year	2,69,394.34
Closing balance of gross NPA	35,146.50
Movement of net NPA	**Amount**
Opening net NPA	10,221.42
- Additions during the year	99,049.74
- Reductions during the year	95,342.18
Closing balance of net NPA	13,928.98
Movement of provisions for NPA	**Amount**
Opening balance	26,939.71
- Provisions made during the year	1,68,329.97

- Write-off / write-back of excess provisions	1,74,052.17
Closing balance	21,217.52

Segment–wise gross NPA

S. no	**Segment- wise breakup of gross NPAs**	**(March 31, 24) Gross NPA (%)**
1	**Retail**	
a	Mortgages (home loans and loans against property)	38.53%
b	Gold loans	49.81%
c	Vehicle Finance	0%
d	MFI	0%
e	MSME	11.65%
f	Capital market funding (loans against shares, margin funding)	0%
g	Others	0%
2	**Wholesale**	
a	Infrastructure	0%
b	Real estate (including builder loans)	0%
c	Promoter funding	0%
d	Any other sector (as applicable)	0%
e	Others	0%
	Gross NPA	**100.0%**

Details of any other contingent liabilities of the issuer based on the last audited financial statements including amount and nature of liability

Sr. No.	**Particulars**	**Nature of Liability**	**Amount as on March 31, 2024**
1.	Income Tax Demands	Disputed Demands appealed against and pending final judgement	3,679.87
2.	Service Tax Demands	Disputed Demands appealed against and pending final judgement	5,106.18
3.	Value Added Tax Demands	Disputed Demands appealed against and pending final judgement	-
4.	Goods & Services Tax	Disputed Demands appealed against and pending final judgement	787.09
5.	Bank Guarantees	Bank Guarantees availed by the Company	215.50

Revaluation of assets

Our Company has not revalued its assets in the last three years.

Mechanism for redressal of investor grievances

Agreement dated July 1, 2024 between the Registrar to the Issue and our Company provides for settling of investor grievances in a timely manner and for retention of records with the Registrar to the Issue for a period of eight years.

All grievances relating to the Issue may be addressed to the Registrar to the Issue and Compliance Officer giving full details such as name, address of the applicant, number of NCDs applied for, amount paid on application and the details of Member of Syndicate or Trading Member of the Stock Exchange where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned Member of the Syndicate and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA Application Locations, giving full details such as name, address of Applicant, Application Form number, option applied for, number of NCDs applied for, amount blocked on Application.

Additionally, the Stock Exchange shall be responsible for addressing investor grievances arising from applications submitted online through the app based/ web interface platform of the Stock Exchange or through its Trading Members.

Further, in accordance with the SEBI Master Circular, the Designated Intermediaries shall be responsible for addressing any investor grievances arising from the Applications uploaded by them in respect of quantity, price or any other data entry or other errors made by them.

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances will be three (3) business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Registrar to the Issue

Integrated Registry Management Services Private Limited
2nd Floor, Kences Towers
No. 1 Ramakrishna Street, North Usman Road
T. Nagar, Chennai – 600 017, Tamil Nadu
Tel: +91 44 28140801 to 28140803
Fax: +91 44 2814 2479
Email: yuvraj@integratedindia.in
Investor Grievance Email: mfinipo@integratedindia.in
Website: www.integratedindia.in
Contact Person : S Yuvaraj
SEBI Registration No.: INR000000544

Compliance Officer of our Company

Sachu Sivas has been appointed as the Compliance Officer of our Company for this Issue.

The contact details of Compliance officer of our Company are as follows:

Sachu Sivas
Company Secretary
Muthoot Fincorp Limited,
Muthoot Centre,
TC No 27/3022, Punnen Road
Trivandrum – 695 001
Tel No.: 0471-4911621
Email: cs@muthootfincorp.com
For more details regarding the Issue, please call 1800 102 1616.

Investors may contact the Registrar to the Issue or the Company Secretary and Compliance Officer in case of any pre-issue or post Issue related issues such as non-receipt of Allotment advice, demat credit, refund orders, non-receipt of debenture certificates, transfers, or interest on application amount etc.

Details of Auditor to the Issuer:

S.No.	Name of the Auditor	Address	Auditor since
1.	Krishnan Retna & Associates	201 Block A, Nandini Gardens, Fort, Thiruvananthapuram, Kerala - 695023	March 28, 2022
2.	Rangamani & Co.	Rose Gardens, North of Iron Bridge, Alappuzha, Kerala – 688011	March 28, 2022

Change in Auditors of our Company during the last three financial years and the current financial year:

Name of the Auditor	Address	Date of appointment	Date of cessation, if applicable	Date of resignation, if applicable
M/s. Rangamani & Co	1st Floor, Aptech Building, Pentacoast Mission Lane, Ambelipadam Road,	September 25, 2017	March 15, 2022	March 15, 2022

	Vytilla, Kochi 682019			

Auditor's Remarks

Except as disclosed in "*Outstanding Litigation - IX. Summary of reservations or qualifications or adverse remarks or other observations by auditors in the audit report / CARO by the auditors in the last three financial years i.e. Fiscal 2022 to Fiscal 2024 and their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remarks*" on page 232, there are no reservations or qualifications or adverse remarks in the financial statements and financial position of our Company in the last three Fiscals immediately preceding this Shelf Prospectus.

Trading

Debt securities issued by our Company, which are listed on BSE's wholesale debt market are infrequently traded with limited or no volumes. Consequently, there has been no material fluctuation in prices or volumes of such listed debt securities.

Disclaimer statement from our Company, our Directors and the Lead Manager

None among our Company or the Lead Manager or any Member of the Syndicate is liable for any failure in uploading the Application due to faults in any software/ hardware system or otherwise; the blocking of Application Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Investors who make an Application in the Issue will be required to confirm and will be deemed to have represented to our Company, the Lead Manager and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the NCDs and will not issue, sell, pledge, or transfer the NCDs to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the NCDs. Our Company, the Lead Manager and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the NCDs being offered in the Issue.

Latest ALM statement submitted to stock exchange

The following table describes the standalone ALM of our Company as on March 31, 2024:

Particulars		0 day to 7 days	8 days to 14 days	15 days to 30/31 days (One month)	Over one month and upto 2 months	Over two months and upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total	Remarks
		X010	X020	X030	X040	X050	X060	X070	X080	X090	X100	X110	X120
A. OUTFLOWS													
1.Capital (i+ii+iii+iv)	**Y010**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	19,370.56	19,370.56	
(i) Equity Capital	**Y020**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	19,370.56	19,370.56	
(ii) Perpetual / Non Redeemable Preference Shares	**Y030**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(iii)) Non-Perpetual / Redeemable Preference Shares	**Y040**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(iv) Others	**Y050**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2.Reserves & Surplus (i+ii+iii+iv+v+vi+vii+viii+ix+x+xi+xii+xii+xiii)	**Y060**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,06,750.94	4,06,750.94	
(i) Share Premium Account	**Y070**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	38,129.85	38,129.85	
(ii) General Reserves	**Y080**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(iii) Statutory/Special Reserve (Section 45-IC reserve to be shown separately below item no.(vii))	**Y090**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	76,356.10	76,356.10	
(iv) Reserves under Sec 45-IC of RBI Act 1934	**20-05-2024**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(v) Capital Redemption Reserve	**Y110**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(vi) Debenture Redemption Reserve	**Y120**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(vii) Other Capital Reserves	**Y130**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

(viii) Other Revenue Reserves	**Y140**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(ix) Investment Fluctuation Reserves/ Investment Reserves	**Y150**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(x) Revaluation Reserves (a+b)	**Y160**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(a) Revl. Reserves - Property	**Y170**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(b) Revl. Reserves - Financial Assets	**Y180**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(xi) Share Application Money Pending Allotment	**Y190**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(xii) Others (Please mention)	**Y200**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,02,389.29	1,02,389.29	
(xiii) Balance of profit and loss account	**Y210**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,89,875.70	1,89,875.70	
3.Gifts, Grants, Donations & Benefactions	**Y220**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
4.Bonds & Notes (i+ii+iii)	**Y230**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(i) Plain Vanilla Bonds (As per residual maturity of the instruments)	**Y240**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(ii) Bonds with embedded call / put options including zero coupon / deep discount bonds (As per residual period for the earliest exercise date for the embedded option)	**Y250**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(iii) Fixed Rate Notes	**Y260**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
5.Deposits (i+ii)	**Y270**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(i) Term Deposits from Public	**Y280**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(ii) Others	**Y290**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
6.Borrowings (i+ii+iii+iv+v+vi+vii+viii+ix+x+xi+xii+xiii+xiv)	**Y300**	1,45,533.75	10,241.78	17,542.63	54,479.44	73,781.26	1,48,844.95	7,63,841.79	5,30,989.77	1,95,035.23	1,07,658.87	20,47,949.47	
(i) Bank Borrowings (a+b+c+d+e+f)	**Y310**	1,44,922.07	9,770.50	15,960.24	31,716.69	72,628.51	1,36,256.43	7,19,679.19	3,18,175.58	78,303.30	3,184.59	15,30,597.10	
a) Bank Borrowings in the nature of Term Money Borrowings (As per residual maturity)	**Y320**	922.07	0.00	10,960.24	8,716.69	22,070.18	76,716.03	1,70,742.53	3,06,175.68	78,303.30	3,184.59	6,77,791.31	
b) Bank Borrowings in the nature of WCDL	**Y330**	1,44,000.00	9,000.00	5,000.00	23,000.00	48,440.37	47,501.18	4,99,653.77	11,999.90	0.00	0.00	7,88,595.22	

c) Bank Borrowings in the nature of Cash Credit (CC)	**Y340**	0.00	770.50	0.00	0.00	2,117.96	12,039.22	49,282.89	0.00	0.00	0.00	64,210.57	
d) Bank Borrowings in the nature of Letter of Credit (LCs)	**Y350**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
e) Bank Borrowings in the nature of ECBs	**Y360**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
f) Other bank borrowings	**Y370**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(ii) Inter Corporate Deposits (Other than Related Parties) (These being institutional / wholesale deposits, shall be slotted as per their residual maturity)	**Y380**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(iii) Loans from Related Parties (including ICDs)	**Y390**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(iv) Corporate Debts	**Y400**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(v) Borrowings from Central Government / State Government	**Y410**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(vi) Borrowings from RBI	**Y420**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(vii) Borrowings from Public Sector Undertakings (PSUs)	**Y430**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(viii) Borrowings from Others (Please specify)	**Y440**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(ix) Commercial Papers (CPs)	**Y450**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Of which; (a) To Mutual Funds	**Y460**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(b) To Banks	**Y470**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(c) To NBFCs	**Y480**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(d) To Insurance Companies	**Y490**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(e) To Pension Funds	**Y500**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(f) To Others (Please specify)	**Y510**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(x) Non - Convertible Debentures (NCDs) (A+B)	**Y520**	0.00	0.00	0.00	21,479.65	0.00	4,318.02	31,901.71	1,57,672.09	50,944.70	20,716.49	2,87,032.66	
A. Secured (a+b+c+d+e+f+g)	**Y530**	0.00	0.00	0.00	21,479.65	0.00	4,318.02	31,901.71	1,57,672.09	50,944.70	20,716.49	2,87,032.66	
Of which; (a) Subscribed by Retail Investors	**Y540**	0.00	0.00	0.00	19,789.82	0.00	4,231.15	31,481.65	1,46,635.30	47,836.98	20,480.07	2,70,454.97	

(b) Subscribed by Banks	**Y550**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(c) Subscribed by NBFCs	**Y560**	0.00	0.00	0.00	11.87	0.00	2.00	14.53	2,884.71	2,786.94	0.00	5,700.05	
(d) Subscribed by Mutual Funds	**Y570**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(e) Subscribed by Insurance Companies	**Y580**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,720.00	0.00	100.00	2,820.00	
(f) Subscribed by Pension Funds	**Y590**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(g) Others (Please specify)	**Y600**	0.00	0.00	0.00	1,677.96	0.00	84.87	405.53	5,432.08	320.78	136.42	8,057.64	
B. Un-Secured (a+b+c+d+e+f+g)	**Y610**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Of which; (a) Subscribed by Retail Investors	**Y620**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(b) Subscribed by Banks	**Y630**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(c) Subscribed by NBFCs	**Y640**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(d) Subscribed by Mutual Funds	**Y650**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(e) Subscribed by Insurance Companies	**Y660**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(f) Subscribed by Pension Funds	**Y670**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(g) Others (Please specify)	**Y680**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(xi) Convertible Debentures (A+B) (Debentures with embedded call / put options As per residual period for the earliest exercise date for the embedded option)	**Y690**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16,202.00	16,202.00	
A. Secured (a+b+c+d+e+f+g)	**Y700**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Of which; (a) Subscribed by Retail Investors	**Y710**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(b) Subscribed by Banks	**Y720**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(c) Subscribed by NBFCs	**Y730**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(d) Subscribed by Mutual Funds	**Y740**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

(e) Subscribed by Insurance Companies	Y750	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(f) Subscribed by Pension Funds	Y760	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(g) Others (Please specify)	Y770	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
B. Un-Secured (a+b+c+d+e+f+g)	Y780	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16,202.00	16,202.00	
Of which; (a) Subscribed by Retail Investors	Y790	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(b) Subscribed by Banks	Y800	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(c) Subscribed by NBFCs	Y810	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(d) Subscribed by Mutual Funds	Y820	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(e) Subscribed by Insurance Companies	Y830	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(f) Subscribed by Pension Funds	Y840	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(g) Others (Please specify)	Y850	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16,202.00	16,202.00	
(xii) Subordinate Debt	Y860	611.68	471.28	1,582.39	1,283.10	1,152.75	8,270.50	12,260.89	55,142.10	65,787.23	0.00	1,46,561.92	
(xiii) Perpetual Debt Instrument	Y870	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	67,555.79	67,555.79	
(xiv) Security Finance Transactions(a+b+c+d)	Y880	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
a) Repo (As per residual maturity)	Y890	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
b) Reverse Repo (As per residual maturity)	Y900	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
c) CBLO (As per residual maturity)	Y910	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
d) Others (Please Specify)	Y920	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
7.Current Liabilities & Provisions (a+b+c+d+e+f+g+h)	Y930	50.27	221.37	9,403.98	741.92	1,407.89	4,323.83	14,722.26	11,517.62	12,631.12	32,965.81	87,986.07	
a) Sundry creditors	Y940	0.00	0.00	4,016.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,016.05	
b) Expenses payable (Other than Interest)	Y950	0.00	0.00	5,040.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,040.28	

(c) Advance income received from borrowers pending adjustment	**Y960**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(d) Interest payable on deposits and borrowings	**Y970**	50.27	221.37	347.65	741.92	1,407.89	4,323.83	9,667.96	11,517.62	12,631.12	3,236.76	44,146.39	
(e) Provisions for Standard Assets	**Y980**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12,728.22	12,728.22	
(f) Provisions for Non Performing Assets (NPAs)	**Y990**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	17,000.83	17,000.83	
(g) Provisions for Investment Portfolio (NPI)	**Y1000**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(h) Other Provisions (Please Specify)	**Y1010**	0.00	0.00	0.00	0.00	0.00	0.00	5,054.30	0.00	0.00	0.00	5,054.30	
8.Statutory Dues	**Y1020**	0.00	0.00	0.00	0.00	0.00	0.00	3,368.26	0.00	0.00	0.00	3,368.26	
9.Unclaimed Deposits (i+ii)	**Y1030**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(i) Pending for less than 7 years	**Y1040**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(ii) Pending for greater than 7 years	**Y1050**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
10.Any Other Unclaimed Amount	**Y1060**	3,764.93	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,764.93	
11.Debt Service Realisation Account	**Y1070**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
12.Other Outflows	**Y1080**	0.00	0.00	0.00	0.00	0.00	0.00	1,813.86	0.00	0.00	1,17,945.40	1,19,759.26	
13.Outflows On Account of Off Balance Sheet (OBS) Exposure (i+ii+iii+iv+v+vi+vii)	**Y1090**	43.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	43.86	
(i)Loan commitments pending disbursal	**Y1100**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(ii)Lines of credit committed to other institution	**Y1110**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(iii)Total Letter of Credits	**Y1120**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(iv)Total Guarantees	**Y1130**	43.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	43.86	
(v) Bills discounted/rediscounted	**Y1140**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(vi)Total Derivative Exposures (a+b+c+d+e+f+g+h)	**Y1150**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(a) Forward Forex Contracts	**Y1160**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(b) Futures Contracts	**Y1170**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

(c) Options Contracts	**Y1180**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(d) Forward Rate Agreements	**Y1190**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(e) Swaps - Currency	**Y1200**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(f) Swaps - Interest Rate	**Y1210**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(g) Credit Default Swaps	**Y1220**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(h) Other Derivatives	**Y1230**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(vii)Others	**Y1240**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
A. TOTAL OUTFLOWS (A) (Sum of 1 to 13)	**Y1250**	1,49,392.81	10,463.15	26,946.61	55,221.36	75,189.15	1,53,168.78	7,83,746.17	5,42,507.39	2,07,666.35	6,84,691.58	26,88,993.35	
A1. Cumulative Outflows	**Y1260**	1,49,392.81	1,59,855.96	1,86,802.57	2,42,023.93	3,17,213.08	4,70,381.86	12,54,128.03	17,96,635.42	20,04,301.77	26,88,993.35	26,88,993.35	
B. INFLOWS													
1. Cash (In 1 to 30/31 day time-bucket)	**Y1270**	8,613.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,613.95	
2. Remittance in Transit	**Y1280**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
3. Balances With Banks	**Y1290**	87,844.79	0.00	0.00	0.00	41,488.01	0.00	3,719.00	0.00	0.00	0.00	1,33,051.80	
a) Current Account (The stipulated minimum balance be shown in 6 months to 1 year bucket. The balance in excess of the minim balance be shown in 1 to 30 day time bucket)	**Y1300**	87,844.79	0.00	0.00	0.00	0.00	0.00	3,719.00	0.00	0.00	0.00	91,563.79	
b) Deposit Accounts /Short-Term Deposits (As per residual maturity)	**Y1310**	0.00	0.00	0.00	0.00	41,488.01	0.00	0.00	0.00	0.00	0.00	41,488.01	
4.Investments (i+ii+iii+iv+v)	**Y1320**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,97,085.75	1,97,085.75	
(i)Statutory Investments (only for NBFCs-D)	**Y1330**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(ii) Listed Investments	**Y1340**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(a) Current	**Y1350**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(b) Non-current	**Y1360**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

(iii) Unlisted Investments	**Y1370**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(a) Current	**Y1380**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(b) Non-current	**Y1390**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(iv) Venture Capital Units	**Y1400**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(v) Others (Please Specify)	**Y1410**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,97,085.75	1,97,085.75	
5.Advances (Performing)	**Y1420**	2,05,392.53	13,528.26	30,752.99	62,568.27	55,937.71	2,01,128.76	13,98,987.99	21,688.29	11,953.64	1,34,149.20	21,36,087.64	
(i) Bills of Exchange and Promissory Notes discounted & rediscounted (As per residual usance of the underlying bills)	**Y1430**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(ii) Term Loans (The cash inflows on account of the interest and principal of the loan may be slotted in respective time buckets as per the timing of the cash flows as stipulated in the original / revised repayment schedule)	**Y1440**	1,72,356.32	12,072.90	27,498.78	56,439.40	50,583.24	1,86,338.41	13,69,473.68	20,914.04	11,953.64	1,34,149.20	20,41,779.61	
(a) Through Regular Payment Schedule	**Y1450**	7,836.09	256.90	1,749.74	3,238.81	6,382.04	15,171.07	5,508.75	5,795.10	11,953.64	1,34,149.20	1,92,041.34	
(b) Through Bullet Payment	**Y1460**	1,64,520.23	11,816.00	25,749.04	53,200.59	44,201.20	1,71,167.34	13,63,964.93	15,118.94	0.00	0.00	18,49,738.27	
(iii) Interest to be serviced through regular schedule	**Y1470**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(iv) Interest to be serviced to be in Bullet Payment	**Y1480**	33,036.21	1,455.36	3,254.21	6,128.87	5,354.47	14,790.35	29,514.31	774.25	0.00	0.00	94,308.03	
6.Gross Non-Performing Loans (GNPA)	**Y1490**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	35,146.50	35,146.50	
(i) Substandard	**Y1500**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12,160.39	12,160.39	
(a) All over dues and instalments of principal falling due during the next three years (In the 3 to 5 year time-bucket)	**Y1510**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(b) Entire principal amount due beyond the next three years (In the over 5 years time-bucket)	**Y1520**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12,160.39	12,160.39	
(ii) Doubtful and loss	**Y1530**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22,986.11	22,986.11	

(a) All instalments of principal falling due during the next five years as also all over dues (In the over 5 years time-bucket)	**Y1540**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(b) Entire principal amount due beyond the next five years (In the over 5 years time-bucket)	**Y1550**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22,986.11	22,986.11	
7. Inflows From Assets On Lease	**Y1560**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	83,008.99	83,008.99	
8. Fixed Assets (Excluding Assets On Lease)	**Y1570**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	39,747.51	39,747.51	
9. Other Assets :	**Y1580**	0.00	0.00	0.00	0.00	0.00	0.00	46,928.48	0.00	0.00	9,278.88	56,207.36	
(a) Intangible assets & other non-cash flow items (In the 'Over 5 year time bucket)	**Y1590**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,278.88	9,278.88	
(b) Other items (e.g. accrued income, other receivables, staff loans, etc.) (In respective maturity buckets as per the timing of the cash flows)	**Y1600**	0.00	0.00	0.00	0.00	0.00	0.00	15,575.49	0.00	0.00	0.00	15,575.49	
(c) Others	**Y1610**	0.00	0.00	0.00	0.00	0.00	0.00	31,352.99	0.00	0.00	0.00	31,352.99	
10.Security Finance Transactions (a+b+c+d)	**Y1620**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
a) Repo (As per residual maturity)	**Y1630**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
b) Reverse Repo (As per residual maturity)	**Y1640**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
c) CBLO (As per residual maturity)	**Y1650**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
d) Others (Please Specify)	**Y1660**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
11.Inflows On Account of Off Balance Sheet (OBS) Exposure (i+ii+iii+iv+v)	**Y1670**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(i)Loan committed by other institution pending disbursal	**Y1680**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(ii)Lines of credit committed by other institution	**Y1690**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(iii) Bills discounted/rediscounted	**Y1700**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

(iv)Total Derivative Exposures (a+b+c+d+e+f+g+h)	**Y1710**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(a) Forward Forex Contracts	**Y1720**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(b) Futures Contracts	**Y1730**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(c) Options Contracts	**Y1740**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(d) Forward Rate Agreements	**Y1750**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(e) Swaps - Currency	**Y1760**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(f) Swaps - Interest Rate	**Y1770**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(g) Credit Default Swaps	**Y1780**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(h) Other Derivatives	**Y1790**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(v)Others	**Y1800**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
B. TOTAL INFLOWS (B) (Sum of 1 to 11)	**Y1810**	3,01,851.27	13,528.26	30,752.99	62,568.27	97,425.72	2,01,128.76	14,49,635.47	21,688.29	11,953.64	4,98,416.83	26,88,949.50	
C. Mismatch (B - A)	**Y1820**	1,52,458.46	3,065.11	3,806.38	7,346.91	22,236.57	47,959.98	6,65,889.30	-5,20,819.10	-1,95,712.71	-1,86,274.75	-43.85	
D. Cumulative Mismatch	**Y1830**	1,52,458.46	1,55,523.57	1,59,329.95	1,66,676.86	1,88,913.43	2,36,873.41	9,02,762.71	3,81,943.61	1,86,230.90	-43.85	-43.85	
E. Mismatch as % of Total Outflows	**Y1840**	102.05%	29.29%	14.13%	13.30%	29.57%	31.31%	84.96%	-96.00%	-94.24%	-27.21%	0.00%	
F. Cumulative Mismatch as % of Cumulative Total Outflows	**Y1850**	102.05%	97.29%	85.29%	68.87%	59.55%	50.36%	71.98%	21.26%	9.29%	0.00%	0.00%	

SECTION VII – ISSUE RELATED INFORMATION

ISSUE STRUCTURE

Public Issue of NCDs aggregating up to ₹ 2,00,000 lakh, on the terms and in the manner set forth herein.

At the meeting of the Board of Directors of our Company, held on May 20, 2024, the Directors approved the issue of NCDs to the public, upto an amount not exceeding ₹ 2,00,000 lakhs including a green shoe option, in one or more tranches.

The NCDs being offered as part of this Issue are subject to the provisions of the SEBI NCS Regulations, the Debt Listing Agreement, SEBI Listing Regulations, and the Companies Act, 2013, the RBI Act, the terms of the Draft Shelf Prospectus, this Shelf Prospectus, the relevant Tranche Prospectus for each Tranche Issue, the Application Form, the terms and conditions of the Debenture Trustee Agreement and the Debenture Trust Deed, and other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI, RBI, the GoI, and other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

Principal Terms and Conditions of the Issue

TERMS AND CONDITIONS IN CONNECTION WITH THE NCDs

Issuer	Muthoot Fincorp Limited
Type of Instrument	Secured, redeemable, non-convertible debentures
Nature of Instrument	Secured, redeemable, non-convertible debentures
Eligible Investors	**Category I** • Public financial institutions, scheduled commercial banks, and Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs; • Provident funds with minimum corpus of ₹2,500 lakhs, and pension funds with minimum corpus of ₹2,500 lakhs registered with the Pension Find Regulatory and Development Authority, which are authorised to invest in the NCDs; • Alternative Investment Funds subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended; • Resident Venture Capital Funds registered with SEBI; • Insurance Companies registered with IRDA; • State industrial development corporations; • Insurance funds set up and managed by the army, navy, or air force of the Union of India; • Insurance funds set up and managed by the Department of Posts, India; • Systemically important non-banking financial companies registered with RBI • National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and • Mutual funds registered with SEBI. **Category II** • Companies within the meaning of Section 2(20) of the Companies Act, 2013; statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs; • Co-operative banks and regional rural banks; • Trusts including public/private charitable/religious trusts which are authorised to invest in the NCDs; • Educational institutions and associations of persons and/or bodies established pursuant to or registered under any central or state statutory

<table>
<tr><td></td><td>enactment, which are authorised to invest in the NCDs;
• Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;
• Partnership firms in the name of the partners; Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009).
• Association of Persons; and
• Any other incorporated and/ or unincorporated body of persons.

Category III

Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10,00,000 across all options of NCDs in the Issue.

Category IV

Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 10,00,000 across all options of NCDs in the Issue and shall include Retail Individual Investors, who have submitted bid for an amount not more than ₹ 500,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and does not include NRIs) though UPI Mechanism.</td></tr>
<tr><td>Listing (name of the Stock Exchange where it will be listed and timeline of listing)</td><td>The NCDs shall be listed on BSE within 6 Working Days of Issue Closure</td></tr>
<tr><td>Rating of the Instrument</td><td>
<table>
<tr><th>Rating agency</th><th>Instrument</th><th>Rating symbol</th><th>Details of credit rating letters and rating rationale</th><th>Amount rated (₹ in lakhs)</th><th>Rating Definition</th></tr>
<tr><td>CRISIL Ratings Limited</td><td>Non-Convertible Debentures</td><td>CRISIL AA-/Stable</td><td>“CRISIL AA-/Stable” (pronounced as CRISIL double A minus rating with a Stable outlook) for an amount of ₹ 1,90,000 lakhs of NCDs by CRISIL Ratings Limited vide its letter no. RL/MUFILT/344799/NCD/0624/90732/168550576 dated June 29, 2024, and “CRISIL AA-/Stable” (pronounced as CRISIL double A minus rating with a Stable outlook) for an amount of ₹ 1,10,000 lakhs of NCDs (of which, ₹ 10,900 lakhs is unutilized) by CRISIL Ratings Limited vide its letter no. RL/MUFILT/344799/NCD/0624/90736/101449972 dated June 29, 2024, along with the</td><td>₹ 1,90,000 lakhs
₹ 1,10,000 lakhs (of which, ₹ 10,900 lakhs is unutilized)</td><td>Securities with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such securities carry very low credit risk.</td></tr>
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				rating rationale dated June 28, 2024.		

Issue Size	Public issue of secured, redeemable, nonconvertible debentures of face value of ₹1,000 each, for an amount aggregating up to the 2,00,000 lakhs pursuant to the Shelf Prospectus and the relevant Tranche Prospectus. The NCDs will be issued in one or more tranches, on terms and conditions as set out in the relevant tranche prospectus for any tranche (each such tranche of issuance, a "Tranche Issue") which should be read with the Shelf Prospectus.
Minimum Subscription	*As specified in the relevant Tranche Prospectus for each Tranche Issue*
Base Issue Size	*As specified in the relevant Tranche Prospectus for each Tranche Issue*
Option to Retain Oversubscription Amount/ Green Shoe Option	*As specified in the relevant Tranche Prospectus for each Tranche Issue*
Objects of the Issue	Please see "*Objects of the Issue*" on page 59.
Coupon rate	*As specified in the relevant Tranche Prospectus for each Tranche Issue*
Step up/ Step Down Interest rates	*As specified in the relevant Tranche Prospectus for each Tranche Issue*
Coupon payment frequency	*As specified in the relevant Tranche Prospectus for each Tranche Issue*
Coupon payment date	*As specified in the relevant Tranche Prospectus for each Tranche Issue*
Coupon Type	*As specified in the relevant Tranche Prospectus for each Tranche Issue*
Coupon Reset Process	*As specified in the relevant Tranche Prospectus for each Tranche Issue*
Day Count basis	Actual/Actual
Interest on Application Money	*As specified in the relevant Tranche Prospectus for each Tranche Issue*
Default Interest Rate	In the event of any default in fulfilment of obligations by our Company under the Debenture Trust Deed, the Default Interest Rate payable to the Applicant shall be as prescribed under the Debenture Trust Deed. Our Company shall pay at least two percent per annum to the debenture holder, over and above the agreed coupon rate, till the execution of the trust deed if our Company fails to execute the trust deed within such period as prescribed under applicable law.
Tenor	*As specified in the relevant Tranche Prospectus for each Tranche Issue*
Redemption Date	*As specified in the relevant Tranche Prospectus for each Tranche Issue*
Redemption Amount	*As specified in the relevant Tranche Prospectus for each Tranche Issue*
Redemption Premium/Discount	*As specified in the relevant Tranche Prospectus for each Tranche Issue*
Issue Price	₹ 1,000
Discount at which security is issued and the effective yield as a result of such discount	*As specified in the relevant Tranche Prospectus for each Tranche Issue*
Premium/Discount at which security is redeemed and the effective yield as a result of such premium/discount	*As specified in the relevant Tranche Prospectus for each Tranche Issue*
Put Price	*As specified in the relevant Tranche Prospectus for each Tranche Issue*
Put Date	*As specified in the relevant Tranche Prospectus for each Tranche Issue*
Call Date	*As specified in the relevant Tranche Prospectus for each Tranche Issue*
Call Price	*As specified in the relevant Tranche Prospectus for each Tranche Issue*
Put Notification Time	*As specified in the relevant Tranche Prospectus for each Tranche Issue*
Call Notification Time	*As specified in the relevant Tranche Prospectus for each Tranche Issue*
Face Value	₹ 1,000
Minimum Application size and in multiples of NCD thereafter	*As specified in the relevant Tranche Prospectus for each Tranche Issue*
Issue Timing	*As specified in the relevant Tranche Prospectus for each Tranche Issue*
Issue Opening Date	*As specified in the relevant Tranche Prospectus for each Tranche Issue*
Issue Closing Date	*As specified in the relevant Tranche Prospectus for each Tranche Issue*
Date of earliest closing of the Issue, if any	*As specified in the relevant Tranche Prospectus for each Tranche Issue*
Pay-in Date	Application Date. The entire Application Amount is payable on Application
Deemed Date of Allotment	The date on which the Board of Directors or the Stock Allotment Committee authorised by the Board approves the Allotment of the NCDs for the Issue or such date as may be determined by the Board of Directors or the Stock Allotment Committee and notified to the Designated Stock Exchange. The actual Allotment

	of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Debenture Holders from the Deemed Date of Allotment.
Settlement Mode of the Instrument	Please see "Terms of the Issue - Payment on Redemption" on page 295
Depository	NSDL and CDSL
Disclosure of coupon/redemption dates	*As specified in the relevant Tranche Prospectus for each Tranche Issue*
Record date	The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 Days prior to the date on which interest is due and payable, and/or the date of redemption. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchange, as the case may be. In case Record Date falls on a day when Stock Exchange is having a trading holiday, the immediate subsequent trading day will be deemed as the Record Date
All covenants to the Issue (including side letters, accelerated payment clause, etc.)	*As specified in the relevant Tranche Prospectus for each Tranche Issue and the Debenture Trust Deed.*
Description regarding Security (where applicable) including type of security (movable/ immovable/ tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Offer Document/ Information Memorandum.	The principal amount of the NCDs to be issued in terms of the Draft Shelf Prospectus, this Shelf Prospectus, the relevant Tranche Prospectus together with all interest due on the NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of subservient charge with existing secured creditors on standard loan receivables and current assets (both present and future) of the company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders, as may be applicable. For further details on date of creation of security/likely date of creation of security, minimum security cover etc, please see "*Terms of the Issue – Security*" on page 283.
Transaction Documents	Transaction Documents shall mean the Draft Shelf Prospectus, this Shelf Prospectus, relevant Tranche Prospectus read with any notices, corrigenda, addenda thereto, Abridged Prospectus, the Issue Agreement, Registrar Agreement, Debenture Trustee Agreement, Debenture Trust Deed, Consortium Agreement/lead broker agreement, Public Issue Account and Sponsor Bank Agreement, Tripartite Agreements and Application Form, executed or to be our Company, as the case may be. For further details see, "*Material Contracts and Documents for Inspection*" on page 328.
Conditions Precedent to Disbursement	The company shall fulfil the following conditions precedent, to the satisfaction of the debenture trustee, prior to disbursement, and shall submit and provide to the Debenture Trustee: (a) within 1 (one) day from the Deemed Date of Allotment, certified true copy of all corporate actions for approving and allotting the NCDs; (b) within 2 (two) days of each of the Deemed Date of Allotment, the Company shall ensure that the NCDs are allotted to the respective NCD Holders and are credited into the demat accounts of the relevant NCD Holders; (c) within 6 (six) Business days from each of the Issue Closing Date, copy of application for listing the NCDs on the Stock Exchange; (d) the Company shall make the application for listing of the NCDs and obtain listing of the NCDs within the time period prescribed under the SEBI Listing Timelines Requirements; and (e) details of the Recovery Expense Fund created by the Company in terms of the Regulation 11 of the SEBI NCS Regulations, in the manner as may be

	specified by the SEBI from time to time. The shall submit and provide to the Debenture Trustee: (F) **Constitutional Documents and Authorisations** (a) A copy of the Company's Constitutional Documents certified as correct, complete and in full force and effect by an appropriate officer of the Company; (b) A copy of resolution of the Company's board of directors/committee of the Company's board of directors: (i) authorising the execution, delivery and performance of the Transaction Documents; (ii) appointing Vardhman Trusteeship Limited as the Debenture Trustee; (iii) authorising the creation of Security Interest over Hypothecated Properties in relation to the Issue; and (iv) authorising the issue and allotment of the NCDs and authorising certain officials of the Company named therein to execute all documents in relation to the Issue, certified as correct, complete and in full force and effect by an appropriate officer of the Company; (c) A copy of resolution of the Company's board of directors/committee of the Company's board of directors: authorizing the specific terms of the Issue and the relevant Tranche Prospectus in accordance with the Board resolution referred to above; and (d) Copies of the resolutions of the shareholders of the Company under Sections 180(1)(c) and 180(1)(a) of the Act, certified as correct, complete and in full force and effect by an appropriate officer of the Company; (E) **Transaction Documents** Execution, delivery and stamping of the Shelf Prospectus and relevant Tranche Prospectus and the other Transaction Documents in a form and manner satisfactory to the Debenture Trustee; (F) **Intermediary Documents** (a) A copy of the credit rating letters and/or the rating rationale issued in relation to the NCDs; (b) A copy of the consent from the Debenture Trustee to act as the debenture trustee for the Issue; (c) A copy of the consent of Integrated Registry Management to act as the registrar and transfer agent for the Issue; (d) A copy of the Tripartite Agreement; (e) Appointment of the Registrar to the Issue; and (f) Appointment of the Debenture Trustee to the Issue; (G) **Others** (a) The audited financial statements of the Company for the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022; (b) A certificate from the authorised signatory(ies) of the Company addressed to the Debenture Trustee confirming that the relevant Identified Book Debts are free from any Encumbrances, in a form and manner satisfactory to the Debenture Trustee; (c) Copy(ies) of the in-principle approval(s) provided by the BSE in respect of the listing of the NCDs; (d) Receipt of the ISIN from the Depository for the issuance of the NCDs; (e) Independent auditor's certificate indicating Security Cover ratio;

	(f) Passport size photographs of all signatories executing any of the Transaction Documents in relation to Issue; (g) Specimen signature of all the signatories executing any of the documentation in relation to the Issue, duly certified by a director or the authorised signatory; (h) Filing of certified true copy of the resolutions of the board of directors/committee of board of directors with the Registrar of Companies by the Company; and (i) Such other information, documents, certificates, opinions and instruments as the NCD Holders/Debenture Trustee may reasonably request.
Conditions subsequent to disbursement	The company shall fulfil the following conditions subsequent, to the satisfaction of the Debenture Trustee: (a) within 15 (fifteen) days of the allotment of the NCDs, file a return of allotment of securities under Form PAS-3 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 with the ROC along with a list of the NCD Holders and with the prescribed fee; (b) the Company shall in respect of the Transaction Security, file Form CHG-9 with the relevant registrar of companies and shall ensure and procure that the Debenture Trustee files the prescribed Form I with CERSAI, each within 30 (thirty) days from the date of creation of the Transaction Security; (c) within 1 (one) day of the filing of charges by way of CHG-9 above, a copy of the payment challan issued by the Registrar of Companies; (d) entry of names of the NCD Holders into the register of debenture holders maintained by the Company in accordance with Section 88 of the Act; (e) a certificate of the Company (signed by an authorized signatory of the Company) confirming, inter alia, that as on the Deemed Date of Allotment: (i) no event of default (as may be defined in the Transaction Documents) has occurred and/or is continuing; (f) the Company is and will be, after issuance of the NCDs, in full compliance with all provisions of the Transaction Documents, its Constitutional Documents, any document to which it is a party or by which it is bound, and any Applicable Law and regulations applicable to it; and (iii) the proceeds of the NCDs are within the authorized borrowing limits of the Company specified under the special resolution of the shareholders of the Company passed under Section 180(1)(a) and Section 180(1)(c) of the Act, and are needed by the Company for the purpose specified in the Transaction Documents; (g) confirmation on payment of stamp duty in connection with the issuance of NCDs; (h) confirmation from the bank with which the public issue account is being maintained that the proceeds from the issue of NCDs have been transferred to Company's account only after receipt of confirmation in this regard from Debenture Trustee, together with the certified true copy of the account statement; (i) Upon complete utilisation of all proceeds of the Issue, a certificate from the statutory auditors confirming such complete utilization of the Issue proceeds, and until such complete utilisation, a certificate from an independent chartered accountant confirming status of utilisation of funds on a quarterly basis; and (j) comply with such other condition and provide such other information and documents as the NCD Holders/Debenture Trustee may reasonably request, or as may be required under Applicable Law.

Event of Default (including manner of voting / conditions of joining Inter Creditor Agreement)	Please see "*Terms of the Issue – Events of Default*" on page 286.
Creation of Recovery Expense Fund	The issuer has already created a recovery expense fund in the manner as specified by SEBI in SEBI NCS Master Circular for Debenture Trustees bearing reference no.SEBI/HO/DDHS-PoD3/P/CIR/2024/46 dated May 16, 2024, as amended from time to time and Regulation 11 of the SEBI NCS Regulations with the Designated Stock Exchange and informed the Debenture Trustee regarding the creation of such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by the Issuer under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.
Conditions for breach of covenants (as specified in the Debenture Trust Deed)	Upon occurrence of any default in the performance or observance of any term, covenant, condition or provision contained in the Summary Term Sheet, the Debenture Trustee shall take necessary actions as mentioned in the Debenture Trust Deed
Provisions related to Cross Default Clause	As per the Debenture Trust Deed to be executed in accordance with applicable law.
Role and Responsibilities of Debenture Trustee	Please see "*Terms of the Issue – Debenture Trustees for the Debenture Holders*" on page 285.
Risk Factors pertaining to the Issue	Please see "*Risk Factors*" on page 19.
Governing Law and Jurisdiction	The Issue shall be governed in accordance with the laws of the Republic of India and shall be subject to the exclusive jurisdiction of the courts of Trivandrum

Notes:

*(a) The Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the period as indicated above. Our Company may, in consultation with the Lead Manager, consider closing the Issue on such earlier date or extended date (subject to a minimum period of three working days and a maximum period of 10 working days from the date of opening of the Issue and subject to not exceeding thirty days from filing the relevant tranche prospectus with ROC, including any extensions), as may be decided by the Board of Directors ("**Board**") or the Stock Allotment Committee, subject to relevant approvals, in accordance with the SEBI NCS Regulations. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in an English daily national newspaper with wide circulation and a regional daily with wide circulation where the registered office of the Company is located (in all the newspapers in which pre-issue advertisement for opening of this Issue has been given on or before such earlier or initial date of Issue closure). On the Issue Closing Date, the Application Forms will be accepted only between 10:00 a.m. and 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. or such extended time as may be permitted by BSE. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 p.m. (Indian Standard Time) on one Working Day post the Issue Closing Date.*

(b) In terms of Regulation 7 of the SEBI NCS Regulations, our Company will undertake this Issue of NCDs in dematerialized form. However, in terms of Section 8 (1) of the Depositories Act, the Company, at the request of the Applicants who wish to hold the NCDs post allotment in physical form, will fulfil such request through the process of dematerialization, if the NCDs were originally issued in dematerialized form.

[*]Participation by any of the above-mentioned Investor classes in this Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions.

[%]While the NCDs are secured to the tune of 100% of the principal and interest thereon in favour of Debenture Trustee, it is it the duty of the Debenture Trustee to monitor the security cover is maintained, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

The specific terms of each instrument to be issued pursuant to a Tranche Issue shall be as set out in the relevant Tranche Prospectus.

In case of Application Form being submitted in joint names, the Applicants should ensure that the demat account is also held in the same joint names and the names are in the same sequence in which they appear in the Application Form.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/ consents/ approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to the Issue.

For further details, please see "*Issue Procedure*" on page 299.

Terms of the NCDs

As specified in the relevant Tranche Prospectus for each Tranche Issue.

Specific Terms of NCDs – Interest and Payment of Interest

As specified in the relevant Tranche Prospectus for each Tranche Issue.

Day count convention

Interest shall be computed on an actual/actual basis i.e. on the principal outstanding on the NCDs as per the SEBI Master Circular.

Please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of the relevant Tranche Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the transferee of deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs subject to such Transferee holding the NCDs on the Record Date.

Terms of Payment

The entire face value per NCDs applied for will be blocked in the relevant ASBA Account maintained with the SCSB or under UPI mechanism (only for Retail Individual Investors), as the case may be, in the bank account of the Applicants that is specified in the ASBA Form at the time of the submission of the Application Form. In the event of Allotment of a lesser number of NCDs than applied for, the Issuer shall unblock the additional amount blocked upon application in the ASBA Account, in accordance with the terms specified in "*Terms of the Issue – Manner of Payment of Interest/ Redemption Amounts"* on page 292.

Participation by any of the above-mentioned Investor classes in this Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions.

The NCDs have not been and will not be registered, listed, or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. In particular, the NCDs have not been and will not be registered under the U.S. Securities Act, 1933, as amended (the "**Securities Act**") or the securities laws of any state of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Issuer has not registered and does not intend to register under the U.S. Investment Company Act, 1940 in reliance on section 3(c)(7) thereof. This Shelf Prospectus may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever, and in particular, may not be forwarded to any U.S. Person or to any U.S. address.

Applications may be made in single or joint names (not exceeding three). Applications should be made by Karta in case the Applicant is an HUF. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form. Please ensure that such Applications contain the PAN of the HUF and not of the Karta.

In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to this Issue. For further details, please see the chapter titled "*Issue Procedure*" on page 299.

Key Covenants of the Issue

As specified in the relevant Tranche Prospectus for each Tranche Issue

TERMS OF THE ISSUE

Authority for the Issue

At the meeting of the Board of Directors of our Company, held on May 20, 2024, the Directors approved the issue of NCDs to the public, upto an amount not exceeding ₹ 2,00,000 lakhs including a green shoe option, in one or more tranches. Further, the present borrowing is within the borrowing limits under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders at the AGM held on September 28, 2022. Further, the Stock Allotment Committee has vide its resolution dated August 23, 2024 approved this Shelf Prospectus.

Principal Terms & Conditions of this Issue

The NCDs being offered as part of the Issue are subject to the provisions of the SEBI NCS Regulations, the applicable provisions of Companies Act, 2013, the Memorandum and Articles of Association of our Company, the terms of the Draft Shelf Prospectus, this Shelf Prospectus and the relevant Tranche Prospectus, the Application Forms, the terms and conditions of the Debenture Trusteeship Agreement, the Debenture Trust Deed, other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI, the Government of India, BSE, RBI, and/or other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

Ranking of Secured NCDs

The Secured NCDs being offered through this Issue would constitute direct and secured obligations of the Company and subject to any obligations under applicable statutory and/or regulatory requirements, shall also, with regard to the amount invested, be secured by way of subservient charge with existing secured creditors on all loan receivables and current assets (both present and future) of the company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders, as may be applicable. The claims of the Debenture Holders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements.

Security

The Issue comprises of public issue of NCDs of face value of ₹1,000 each.

The principal amount of the Secured NCDs to be issued in terms of this Shelf Prospectus together with all interest due on the NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of subservient charge with existing secured creditors on standard loan receivables and current assets (both present and future) of the company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders, as may be applicable.

Our Company will create the security for the NCDs in favour of the Debenture Trustee for the Debenture Holders holding the Secured NCDs on the assets to ensure 100.00% security cover of the amount outstanding including interest in respect of the Secured NCDs at any time.

Our Company has entered into the Debenture Trusteeship Agreement and in furtherance thereof intends to enter into a deed of agreement with the Debenture Trustee, ("**Debenture Trust Deed**"), the terms of which shall govern the appointment of the Debenture Trustee and the issue of the NCDs. Our Company proposes to complete the execution of the Debenture Trust Deed before making the application for listing of NCDs for the benefit of NCD Holders, the terms of which shall govern the appoitmnet of the Debenture Trustee for the issue of the NCDs finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange and shall utilise the funds only after the stipulated security has been created.

Under the terms of the Debenture Trust Deed, our Company will covenant with the Debenture Trustee that it will pay the Debenture Holders holding the NCDs the principal amount on the NCDs on the relevant redemption date and also that it will pay the interest due on the NCDs at the rate specified in the relevant Tranche Prospectus for each Tranche Prospectus and in the Debenture Trust Deed.

The Debenture Trust Deed will also provide that our Company may withdraw any portion of the security subject to prior written consent of the Debenture Trustee and/or may replace with another asset of the same or a higher value.

Our Company confirms that the Issue Proceeds shall be kept in the Public Issue Account until the documents for creation of security i.e. the Debenture Trust Deed, is executed.

Further, in the event our Company fails to execute the Debenture Trust Deed within the period specified in Regulation 18(1) of the SEBI NCS Regulations or such other time frame as may be stipulated from time-to-time, our Company shall pay interest of at least 2% p.a. to each NCD Holder, over and above the agreed coupon rate, till the execution of the Debenture Trust Deed.

Debenture Redemption Reserve

In accordance with recent amendments to the Companies Act, 2013, and the Companies (Share Capital and Debentures) Rules 2014, read with Regulation16 of the SEBI NCS Regulations, any non-banking finance company that intends to issue debentures to the public are no longer required to create a DRR for the purpose of redemption of debentures. The Government, in the union budget for the Financial Year 2019-2020 had announced that non-banking finance companies raising funds in public issues would be exempt from the requirement of creating a DRR.

Pursuant to the amendment to the Companies (Share Capital and Debentures) Rules 2014, notified on August 16, 2019, and as on the date of filing of this Shelf Prospectus, the Company is not required to create DRR for the purpose of redemption of the NCDs. Accordingly, no debenture redemption reserve shall be created by our Company for the purpose of redemption of the NCDs or in connection with the Issue. The Company shall, as per the Companies (Share Capital and Debentures) Rules 2014 and other laws applicable from time to time, invest or deposit, as the case may be, the applicable amounts, within the specified timelines, in respect of debentures maturing during the year ending on the 3lst day of March of the next year, in any one or more methods of investments or deposits stipulated under the applicable law. Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below the specified percentage, which is presently stipulated at 15% (fifteen percent) of the amount of the debentures maturing during the year ending on March 31 of the next year, in any of the following instruments or such other instruments as may be permitted under the applicable laws.

1. in deposits with any scheduled bank, free from any charge or lien
2. in unencumbered securities of the Central Government or any State Government;
3. in unencumbered securities mentioned in sub-clause (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882;
4. in unencumbered bonds issued by any other company which is notified under sub-clause (f) of section 20 of the Indian Trusts Act, 1882:

Provided further that the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above.

Face Value

The face value of each NCD to be issued under this Issue shall be ₹ 1,000.

Debenture Holder not a Shareholder

The Debenture Holders will not be entitled to any of the rights and privileges available to the equity and/or preference shareholders of our Company, except to the extent of the right to receive the annual reports of our Company and such other rights as may be prescribed under the Companies Act, 2013 and the rules prescribed thereunder and the SEBI Listing Regulations.

Rights of Secured Debenture Holders

Some of the significant rights available to the Debenture Holders are as follows:

1. The NCDs shall not, except as provided under the Companies Act, 2013, confer upon the Debenture Holders thereof any rights or privileges available to our members including the right to receive notices or annual reports of, or to attend and/or vote, at our general meeting. However, if any resolution affecting the rights attached to the NCDs is to be placed before the members, the said resolution will first be placed before the concerned registered Debenture Holders for their consideration. The opinion of the Debenture Trustee as to whether such resolution is affecting the right attached to the NCDs is final and binding on Debenture Holders. In terms of Section 136 of the Companies Act, 2013, holders of NCDs shall be entitled to a copy of the balance sheet and copy of trust deed on a specific request made to us.

2. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, including requirements

of the RBI, the rights, privileges and conditions attached to the Secured NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the Secured NCDs or with the sanction of a special resolution passed at a meeting of the concerned Debenture Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the Secured NCDs, if the same are not acceptable to us.

3. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, the registered Debenture Holder or in case of joint-holders, the one whose name stands first in the register of debenture holders shall be entitled to vote in respect of such Secured NCDs, either in person or by proxy, at any meeting of the concerned Secured Debenture Holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the Secured Debenture Holders shall be in proportion to the outstanding nominal value of Secured NCDs held by him/her.

4. The Secured NCDs are subject to the provisions of the SEBI NCS Regulations, the applicable provisions of Companies Act, 2013 and the Companies Act, 1956, the Memorandum and Articles of Association of our Company, the terms of the Draft Shelf Prospectus, this Shelf Prospectus and relevant Tranche Prospectus the Application Form, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, other applicable statutory and/or regulatory requirements relating to the issue and listing, of securities and any other documents that may be executed in connection with the Secured NCDs.

5. The Depositories shall maintain the up to date record of holders of the Secured NCDs in dematerialised form. In terms of Section 88(3) of the Companies Act, 2013, the register and index of beneficial of Secured NCDs maintained by a Depository for any Secured NCD in dematerialised form under Section 11 of the Depositories Act shall be deemed to be a register of Debenture Holders for this purpose.

6. A register of Debenture Holders holding Secured NCDs in physical form pursuant to rematerialisation of the Secured NCDs issued pursuant to this Issue ("**Register of Debenture Holder**") will be maintained in accordance with Section 88 of the Companies Act, 2013 and all interest/redemption amounts and principal sums becoming due and payable in respect of the Secured NCDs will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the Register of Debenture Holders as on the Record Date. For the NCDs issued in dematerialised form, the Depositories shall also maintain the up to date record of holders of the NCDs in dematerialised Form. In terms of Section 88(3) of the Companies Act, 2013, the register and index of beneficial of NCDs maintained by a Depository for any NCDs in dematerialised form under Section 11 of the Depositories Act shall be deemed to be a Register of NCD holders for this purpose.

7. Subject to compliance with RBI requirements, Secured NCDs can be rolled over only with the consent of the holders of at least 75% of the outstanding amount of the Secured NCDs after providing at least 21 days' prior notice for such roll over and in accordance with the SEBI NCS Regulations. Our Company shall redeem the debt securities of all the debt securities holders, who have not given their positive consent to the roll-over.

8. The aforementioned rights of the Secured Debenture Holders are merely indicative. The final rights of the Secured Debenture Holders will be as per the terms of the Draft Shelf Prospectus, this Shelf Prospectus, relevant Tranche Prospectus, the Debenture Trust Deed to be executed between our Company and the Debenture Trustee.

Debenture Trustees for the Debenture Holders

We have appointed Vardhman Trusteeship Private Limited to act as the Debenture Trustees for the Debenture Holders in terms of Regulation 8 of the SEBI NCS Regulations and Section 71(5) of the Companies Act, 2013 and the rules prescribed thereunder. We and the Debenture Trustee will execute a Debenture Trust Deed, before making the application for listing of NCDs *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and us with respect to the NCDs. The Debenture Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the Debenture Holder(s). Any payment made by us to the Debenture Trustee on behalf of the Debenture Holder(s) shall discharge us *pro tanto* to the Debenture Holder(s).

The Debenture Trustee will protect the interest of the Debenture Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

The Debenture Trustee has undertaken the necessary due diligence in accordance with Applicable Law, including the SEBI (Debenture Trustees) Regulations, 1993, read with the SEBI Debenture Trustee Master Circular.

Events of Default (including manner of voting/conditions of joining Inter Creditor Agreements)

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee, at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution, passed at a meeting of the Debenture Holders, (subject to being indemnified and/or secured by the Debenture Holders to its satisfaction), give notice to our Company specifying that the NCDs and/or any particular options of NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice inter alia if any of the events listed below occurs. The description below is indicative and a complete list of events of default including cross defaults, if any, and its consequences will be specified in the Debenture Trust Deed:

Indicative list of Events of Default:

(i) default is committed in payment of the principal amount of the NCDs on the due date(s);

(ii) default is committed in payment of any interest on the NCDs on the due date(s);

(iii) default is committed in payment of any other amounts outstanding on the NCDs;

(iv) defaults in performance or compliance with one or more of its material obligations, covenant, condition or provisions in relation to the NCDs and/or the Transaction Documents, which default is incapable of remedy or, if in the reasonable opinion of the Debenture Trustee is capable of remedy, is not remedied within 30 (thirty) days of written notice of such default being provided to the Company by the Debenture Trustee;

(v) if the Company creates or attempts to create any additional charge on the Secured Assets or any part thereof without the prior approval of the Debenture Trustee.

(vi) if in the opinion of the Debenture Trustee, the Security is in jeopardy.

(vii) an order is made or an effective resolution passed for the winding-up or dissolution, judicial management or administration of the Company, or the Company ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by a Special Resolution of the NCD Holders;

(viii) the Company commences a voluntary proceeding under any applicable bankruptcy, insolvency, winding up or other similar law now or hereafter in effect, or consent to the entry of an order for relief in an involuntary proceeding under any such law, or consent to the appointment or taking possession by a receiver, liquidator, assignee (or similar official) for any or a substantial part of its property or take any action towards its re-organisation, liquidation or dissolution;

(ix) any step is taken by Governmental Authority or agency or any other competent authority, with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or (in the opinion of the Debenture Trustee) a material part of the assets of the Company which is material to the Company;

(x) the Company without the consent of Debenture Trustee ceases to carry on its business or gives notice of its intention to do so; and

(xi) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs.

In accordance with the circular (SEBI/HO/MIRSD/CRADT/CIR/P/2020/203) dated October 13, 2020 issued by SEBI on "Standardisation of procedure to be followed by Debenture Trustee(s) in case of 'Default' by Issuers of listed debt securities", post the occurrence of a "default", the consent of the NCD Holders for entering into an inter-creditor agreement (the "**ICA**")/enforcement of security shall be sought by the debenture trustee after providing a notice to the investors in the manner stipulated under applicable law. Further, the meeting of the NCD Holders shall be held within the period stipulated under applicable law. In case(s) where majority of investors express their consent to enter into the ICA, the debenture trustee shall enter into the ICA on behalf of the investors upon compliance with the conditions as stipulated in the abovementioned circular. In case consents are not received for signing the ICA, the debenture trustee shall take further action, if any, as per the decision taken in the meeting of the investors. The consent of the majority of investors shall mean the approval of not less than 75% of the investors by value of the outstanding debt and 60% of the investors by number at the ISIN level.

Regulation 51 read with the Explanation to Clause A (11) in Part B of Schedule III of the SEBI Listing Regulations, defines 'default' as non-payment of interest or principal amount in full on the pre-agreed date which shall be recognized at the first instance of delay in the servicing of any interest or principal on debt.

It is hereby confirmed, in case of an occurrence of a "default", the Debenture Trustee shall abide and comply with the procedures mentioned in the above mentioned SEBI Debenture Trustee Master Circular.

Market Lot and Trading Lot

Since trading of the NCDs is in dematerialised form, the tradable lot is one NCD.

Allotment in the Issue will be in Demat form in multiples of one NCD. For details of allotment, see "*Issue Procedure*" on page 299.

Nomination facility to Debenture Holder

In accordance with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014 ("Rule 19") and Section 72 of the Companies Act, 2013, the sole Debenture Holder, or first Debenture Holder, along with other joint Debenture Holders' (being individual(s)), may nominate, in the Form No. SH.13, any one person in whom, in the event of the death of Applicant the NCDs Allotted, if any, will vest. Where the nomination is made in respect of the NCDs held by more than one person jointly, all joint holders shall together nominate in Form No. SH.13 any person as nominee. A nominee entitled to the NCDs by reason of the death of the original holder(s), will, in accordance with Rule 19 and Section 56 of the Companies Act, 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the NCDs. Where the nominee is a minor, the holder(s) may make a nomination to appoint, in Form No. SH.14, any person to become entitled to NCDs in the event of the holder's death during minority. A nomination will stand rescinded on a sale/transfer/alienation of NCDs by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office, Corporate Office or with the Registrar to the Issue.

Debenture Holder(s) are advised to provide the specimen signature of the nominee to us to expedite the transmission of the NCD(s) to the nominee in the event of demise of the Debenture Holder(s). The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with Rule 19, any person who becomes a nominee by virtue of the Rule 19, will on the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the NCDs; or
- to make such transfer of the NCDs, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the NCDs, and if the notice is not complied with, within a period of 90 days, the Board may thereafter withhold payment of all interests or redemption amounts or other monies payable in respect of the NCDs, until the requirements of the notice have been complied with.

For all NCDs held in the dematerialized form, nominations registered with the respective Depository Participant of the Applicant would prevail. If the Investors require changing their nomination, they are requested to inform their respective Depository Participant in connection with NCDs held in the dematerialized form.

A nomination may be cancelled or varied by nominating any other person in place of the present nominee, by the Debenture Holder who has made the nomination, by giving a notice of such cancellation or variation in the prescribed manner as per applicable laws. The cancellation or variation shall take effect from the date on which the notice of such variation or cancellation is received.

For all NCDs held in the dematerialised form and since the allotment of NCDs pursuant to this Issue will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. The nominations registered with the respective Depository Participant of the Applicant would prevail. If the Investors require changing their nomination, they are requested to inform their respective Depository Participant in connection with NCDs held in the dematerialised form.

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Cochin, Kerala India.

Application in the Issue

Applicants shall apply in this Issue in dematerialised form only, through a valid Application Form filled in by the Applicant along with attachment, as applicable. Further, Applications in this Issue shall be made through the ASBA facility only (including Applications made by UPI Investors under the UPI Mechanism).

In terms of Regulation 7 of the SEBI NCS Regulations, our Company will make public issue of the NCDs in the dematerialised form only.

However, in terms of Section 8(1) of the Depositories Act, our Company, at the request of the Investors who wish to hold the NCDs in physical form will rematerializeise the NCDs. However, any trading of the NCDs shall be compulsorily in dematerialised form only.

Form of Allotment and Denomination of Secured NCDs

As per the SEBI NCS Regulations, the trading of the Secured NCDs on the Stock Exchange shall be in dematerialized form only in multiples of one (1) NCD ("**Market Lot**"). Allotment in this Issue to all allottees, will be in electronic form i.e. in dematerialised form and in multiples of one NCD.

For details of allotment please see "*Issue Procedure*" on page 299.

Transfer/Transmission of NCD(s)

The NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of the Companies Act, 2013. The NCDs held in dematerialised form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DPs of the transfer or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. The seller should give delivery instructions containing details of the buyer's DP account to his Depository Participant.

In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Company or Registrar.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 read with SEBI Press release (no. 49/ 2018) dated December 3, 2018, NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred except by way of transmission or transposition, from April 1, 2019. However, any trading of the NCDs issued pursuant to this Issue shall be compulsorily in dematerialised form only.

Title

In case of:

- the NCDs held in the dematerialised form, the person for the time being appearing in the record of beneficial owners maintained by the Depository; and

- the NCD held in physical form, pursuant to any rematerialisation, the person for the time being appearing in the Register of Debenture Holders as Debenture Holder shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such person as the holder thereof and its absolute owner for all purposes regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the Consolidated NCD Certificate issued in respect of the NCDs and no person will be liable for so treating the Debenture Holder.

No transfer of title of NCD will be valid unless and until entered on the Register of Debenture Holders or the register and index of Debenture Holders maintained by the Depository prior to the Record Date. In the absence of transfer being registered, interest and/or Maturity Amount, as the case may be, will be paid to the person, whose name appears first in the Register of Debenture Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the NCDs will need to be settled with the seller of the NCDs and not with our Company or the Registrar.

Succession

Where NCDs are held in joint names and one of the joint holders dies, the survivor(s) will be recognized as the Debenture Holder(s). It will be sufficient for our Company to delete the name of the deceased Debenture Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on our Company to register his name as successor of the deceased Debenture Holder after obtaining evidence such as probate of a will for the purpose of proving his title to the debentures. In the event of demise of the sole or first holder of the Debentures, the Company will recognise the executors or administrator of the deceased Debenture Holders, or the holder of the succession certificate or other legal representative as having title to the Debentures only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. The directors of the Company in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation. In case of death of Debenture Holders who are holding NCDs in dematerialised form, third person is not required to approach the Company to register his name as successor of the deceased Debenture Holder. He shall approach the respective Depository Participant of the Debenture Holder for this purpose and submit necessary documents as required by the Depository Participant.

Where a non-resident Indian becomes entitled to the NCDs by way of succession, the following steps have to be complied with:

1. Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the NCDs were acquired by the non-resident Indian as part of the legacy left by the deceased Debenture Holder.

2. Proof that the non-resident Indian is an Indian national or is of Indian origin.

3. Such holding by a non-resident Indian will be on a non-repatriation basis.

Joint-holders

Where two or more persons are holders of any NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles.

Procedure for Re-materialization of NCDs

Debenture Holders who wish to hold the NCDs in physical form may do so by submitting a request to their DP at any time after Allotment in accordance with the applicable procedure stipulated by the DP, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time. **Holders of NCDs who propose to dematerializeise their NCDs, would have to mandatorily submit details of their bank mandate along with a copy of any document evidencing that the bank account is in the name of the holder of such NCDs and their Permanent Account Number to the Company and the DP. No proposal for rematerialisation of NCDs would be considered if the aforementioned documents and details are not submitted along with the request for such rematerialisation.**

Restriction on transfer of NCDs

There are no restrictions on transfers and transmission of NCDs Allotted pursuant to this Issue. Pursuant to the SEBI Listing Regulations, NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred except by way of transmission or transposition, with effect from April 1, 2019. However, any trading of the NCDs issued pursuant to this Issue shall be compulsorily in dematerialised form only.

Period of Subscription

The subscription list shall remain open for a period as indicated below, with an option for early closure or extension by such period, as may be decided by the Board or a duly authorised committee of Directors of our Company, subject to necessary approvals. In the event of such early closure of the Issue, our Company shall ensure that notice of such early closure is given one day prior to such early date of closure through advertisement/s in a leading national daily newspaper and a local newspaper in the state of Kerala, with wide circulation

Issue Programme*

ISSUE OPENING DATE	As specified in respective Tranche Prospectus
ISSUE CLOSING DATE	As specified in respective Tranche Prospectus
PAY IN DATE	Application Date. The entire Application Amount is payable on Application
DEEMED DATE OF ALLOTMENT	The date on which the Board of Directors or any committee authorised by the Board approves the Allotment of the NCDs for the Issue or such date as may be determined by the Board of Directors or the Stock Allotment Committee and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue in the relevant Tranche Prospectus) shall be available to the Debenture Holders from the Deemed Date of Allotment.

*# The Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the period as indicated above. Our Company may, in consultation with the Lead Manager, consider closing the Issue on such earlier date or extended date (subject to a minimum period of three working days and a maximum period of 10 working days from the date of opening of the Issue and subject to not exceeding thirty days from filing the relevant tranche prospectus with ROC, including any extensions), as may be decided by the Board of Directors ("**Board**") or the Stock Allotment Committee, subject to relevant approvals, in accordance with the SEBI NCS Regulations. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in an English daily national newspaper with wide circulation and a regional daily with wide circulation where the registered office of the Company is located (in all the newspapers in which pre-issue advertisement for opening of this Issue has been given on or before such earlier or initial date of Issue closure). On the Issue Closing Date, the Application Forms will be accepted only between 10:00 a.m. and 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. or such extended time as may be permitted by the Stock Exchange. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 p.m. on one Working Day post this relevant Issue Closing Date. For further details please see "General Information" on page 44.*

Application (including Application under the UPI Mechanism) and any further changes to the Applications shall be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time, "IST**") during the Issue Period as mentioned above by the Members of the Syndicate, Trading Members and Designated Branches of SCSBs, except that on the Issue Closing Date when the Applications and any further changes in details in Applications, if any, shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and shall be uploaded until 5.00 p.m. (IST) or such extended time as permitted by the Stock Exchange. Additionally, an Investor may also submit the Application Form through the app or web interface of the Stock Exchange. It is clarified that the Applications not uploaded in the Stock Exchange platform would be rejected.*

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Shelf Prospectus are Indian Standard Time. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for Allocation under the Issue. Applications will be accepted only on Business Days, i.e., Monday to Friday (excluding any public holiday). Neither our Company, nor the Lead Manager, nor any Member of the Syndicate, Trading Members or Designated Branches of SCSBs is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise. Please note that, within each category of Investors, the Basis of Allotment under the Issue will be on date priority basis, however, from the date of oversubscription and thereafter, the allotments will be made to the applicants on proportionate basis.

Interest/Premium and Payment of Interest/ Premium

Interest on NCDs

As specified in the relevant Tranche Prospectus.

Basis of payment of Interest

NCDs once Allotted under any particular category of NCDs shall continue to bear the applicable tenor, Coupon/Yield and Redemption Amount as at the time of original Allotment irrespective of the category of Debenture Holder on any Record Date, and such Tenor, Coupon/Yield and Redemption Amount as at the time of original Allotment will not be impacted by trading of any series of NCDs between the categories of persons or entities in the secondary market.

Payment of Interest/Maturity Amount will be made to those Debenture Holders whose names appear in the Register of Debenture Holders (or to first holder in case of joint-holders) as on Record Date.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the Investors. In such cases, interest, on the Interest Payment Date, would be directly credited to the account of those Investors who have given their bank mandate.

We may offer the facility of NACH, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to help Debenture Holders. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI. Please see, *"Terms of the Issue - Manner of Payment of Interest / Redemption Amounts"* on page 292.

Taxation

Income Tax is deductible at source at the rate of 10% on interest on debentures held by resident Indians (other than insurance companies), at the time of credit/ payment, as per the provisions of section 193 of the IT Act. Further, Tax will be deducted at source at reduced rate or no tax will be deducted at source in the following cases:

a) When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture holder justifies no/lower deduction of tax at source as per the provisions of section 197(1) of the IT Act; and that a valid certificate is filed with the Company before the prescribed date of closure of books for payment of debenture interest;

b) When the resident Debenture Holder with Permanent Account Number ("**PAN**") (not being a company or a firm) submits a declaration as per the provisions of section 197A(1A) of the IT Act in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be Nil. However, under section 197A(1B) of the IT Act, Form 15G cannot be submitted nor considered for exemption from tax deduction at source if the dividend income referred to in section 194 of the IT Act, interest on securities, interest, withdrawal from NSS and income from units of mutual fund or of Unit Trust of India, as the case may be, or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the financial year in which such income is to be included exceeds the maximum amount which is not chargeable to income tax;

c) Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form 15H for non-deduction of tax at source in accordance with the provisions of section 197A(1C) of the IT Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on the estimated total income of the year concerned will be Nil; and

d) In all other situations, tax would be deducted at source as per prevailing provisions of the IT Act.

Form No.15G with PAN/ Form No.15H with PAN/ Certificate issued under section 197(1) of the IT Act has to be filed with the Company before the prescribed date of closure of books for payment of debenture interest without any withholding tax.

The aforesaid documents, as may be applicable, should be submitted at the office of the Registrar to the Issue quoting 7 (seven) days prior to the Record Date to ensure non-deduction/lower deduction of tax at source from interest on the NCD. The investors need to submit Form 15H/ 15G/certificate in original with the Assessing Officer for each Fiscal during the currency of the NCD to ensure non-deduction or lower deduction of tax at source from interest on the NCD.

Tax exemption certificate/document, if any, must be lodged at the office of the Registrar to the Issue at least 7 (seven) days prior to the Record Date or as specifically required, failing which tax applicable on interest will be deducted at source on accrual thereof in our Company's books and/or on payment thereof, in accordance with the provisions of the IT Act and/or any other statutory modification, enactment or notification as the case may be. A tax deduction certificate will be issued for the amount of tax, so deducted.

For further details, please see the section "*Statement of Possible Tax Benefits*" on page 62.

If the date of interest payment falls on a Saturday, Sunday or a public holiday in Mumbai or any other payment centre notified in terms of the Negotiable Instruments Act, 1881, then interest would be paid on the next working day. Payment of interest would be subject to the deduction as prescribed in the I.T. Act or any statutory modification or re-enactment thereof for the time being in force.

Subject to the terms and conditions in connection with computation of applicable interest on the Record Date as stated in the section titled "*Issue Procedure*" on page 299. Please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Shelf Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the transferee of the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs.

Day Count Convention

Interest shall be computed on an actual/actual basis i.e. on the principal outstanding on the NCDs as per the SEBI Master Circular.

Effect of holidays on payments

If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day (the "**Effective Date**"), however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Maturity Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment.

Illustration for guidance in respect of the day count convention and effect of holidays on payments

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Master Circular as shall be disclosed in the relevant Tranche Prospectus for each Tranche Issue.

Maturity and Redemption

As specified in the relevant Tranche Prospectus.

Application Size

Each Application should be for a minimum of 10 NCDs and multiples of one NCD thereof. The minimum Application size for each Application would be ₹10,000 (for all kinds of Options)/ NCDs either taken individually or collectively) and in multiples of ₹1,000 thereafter.

Applicants can apply for any or all Options of NCDs offered hereunder provided the Applicant has applied for minimum Application size using the same Application Form.

Applicants are advised to ensure that Application made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Terms of Payment

The entire issue price of ₹ 1,000 per NCD is blocked in the ASBA Account on Application itself. In case of Allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall instruct the SCSBs to unblock the excess amount blocked on Application in accordance with the terms of the Shelf Prospectus and relevant Tranche Prospectus.

Manner of Payment of Interest / Redemption Amounts

The manner of payment of interest / redemption in connection with the NCDs is set out below:

***For NCDs held in dematerialised form*:**

The bank details will be obtained from the Depositories for payment of interest / redemption amount as the case may be. Holders of the NCDs, are advised to keep their bank account details as appearing on the records of the Depository Participant updated at all points of time. Please note that failure to do so could result in delays in credit of interest/redemption amounts at the Applicant's sole risk, and the Lead Manager, our Company or the Registrar shall have no responsibility and undertake no liability for the same.

For NCDs held in physical form on account of re-materialization:

In case of NCDs held in physical form, on account of rematerialisation, the bank details will be obtained from the documents submitted to the Company along with the rematerialisation request. For further details, please see *"Terms of the Issue – Procedure for Re-materialization of NCDs*" on page 289.

The mode of payment of interest/redemption amount shall be undertaken in the following order of preference:

1. **Direct Credit/ NACH/ RTGS:** Investors having their bank account details updated with the Depository shall be eligible to receive payment of interest / redemption amount, through:

   (i) **Direct Credit**. interest / redemption amount would be credited directly to the bank accounts of the Investors, if held with the same bank as the Company.

   (ii) **NACH:** National Automated Clearing House which is a consolidated system of ECS. Payment of interest / redemption amount would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of interest / redemption amount through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the interest / redemption amount through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get interest / redemption amount through NEFT or Direct Credit or RTGS.

   (iii) **RTGS:** Applicants having a bank account with a participating bank and whose interest / redemption amount exceeds ₹ 2 lakhs, or such amount as may be fixed by RBI from time to time, have the option to receive the interest / redemption amount through RTGS. Such eligible Applicants who indicate their preference to receive interest / redemption amount through RTGS are required to provide the IFSC code in the Application Form or intimate our Company and the Registrar to the Issue at least 7 (seven) days before the Record Date. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant. In the event the same is not provided, interest / redemption amount shall be made through NECS subject to availability of complete bank account details for the same as stated above.

   (iv) **NEFT:** Payment of interest / redemption amount shall be undertaken through NEFT wherever the Applicants' bank has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to a Magnetic Ink Character Recognition, if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of the interest / redemption amounts, duly mapped with MICR numbers. Wherever the Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the de-mat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of interest / redemption amount will be made to the Applicants through this method.

2. **Registered Post/Speed Post:** For all other Debenture Holders, including those who have not updated their bank particulars with the MICR code, the interest payment / redemption amount shall be paid by way of interest/ redemption warrants dispatched through speed post/ registered post only to Applicants that have provided details of a registered address in India.

Please note that applicants are eligible to receive payments through the modes detailed in (i), (ii) (iii), and (iv) herein above provided they provide necessary information for the above modes and where such payment facilities are allowed / available.

Please note that our Company shall not be responsible to the holder of NCD, for any delay in receiving credit of interest / refund / redemption so long as our Company has initiated the process of such request in time.

In case of ASBA Applicants, the Registrar to the Issue will issue requisite instructions to the relevant SCSBs to un-block amounts in the ASBA Accounts of the Applicants representing the amounts to be refunded to the Applicants.

The Registrar to the Issue shall instruct the relevant SCSB or in case of Bids by Retail Individual Investors applying through the UPI Mechanism to the Sponsor Bank, to revoke the mandate and to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful Applications within six Working Days of the Issue Closing Date.

Printing of Bank Particulars on Interest/ Redemption Warrants

As a matter of precaution against possible fraudulent encashment of interest/ redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the orders/ warrants. In relation to NCDs held dematerialised form, these particulars would be taken directly from the depositories. In case of NCDs held in physical form on account of rematerialisation, the Investors are advised to submit their bank account details with our Company / Registrar at least fifteen (15) days prior to the Record Date failing which the orders / warrants will be dispatched to the postal address of the holder of the NCD as available in the records of our Company. Bank account particulars will be printed on the warrants which can then be deposited only in the account specified.

Loan against NCDs

Pursuant to RBI Circular dated June 27, 2013, our Company, being an NBFC, is not permitted to extend any loans against the security of its NCDs.

Buy Back of NCDs

Our Company may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buyback of NCDs, upon such terms and conditions as may be decided by our Company.

Our Company may from time to time invite the Debenture Holders to offer the NCDs held by them through one or more buy-back schemes and/or letters of offer upon such terms and conditions as our Company may from time to time determine, subject to applicable statutory and/or regulatory requirements. Such NCDs which are bought back may be extinguished, re-issued and/or resold in the open market with a view of strengthening the liquidity of the NCDs in the market, subject to applicable statutory and/or regulatory requirements.

Procedure for Redemption by Debenture Holders

The procedure for redemption is set out below:

NCDs held in physical form on account of re-materialization:

No action would ordinarily be required on the part of the Debenture Holder at the time of redemption and the redemption proceeds would be paid to those Debenture Holders whose names stand in the register of Debenture Holders maintained by us on the Record Date fixed for the purpose of redemption. However, our Company may require that the NCD certificate(s), duly discharged by the sole holder/all the joint-holders (signed on the reverse of the NCD certificate(s)) be surrendered for redemption on maturity and should be sent by the Debenture Holder(s) by Registered Post with acknowledgment due or by hand delivery to our office or to such persons at such addresses as may be notified by us from time to time. Debenture Holder(s) may be requested to surrender the NCD certificate(s) in the manner as stated above, not more than three months and not less than one month prior to the redemption date so as to facilitate timely payment.

We may at our discretion redeem the NCDs without the requirement of surrendering of the NCD certificates by the holder(s) thereof. In case we decide to do so, the holders of NCDs need not submit the NCD certificates to us and the redemption proceeds would be paid to those Debenture Holders whose names stand in the register of Debenture Holders maintained by us on the Record Date fixed for the purpose of redemption of NCDs. In such case, the NCD certificates would be deemed to have been cancelled. Also see "*Terms of the Issue - Payment on Redemption*" on page 295.

NCDs held in electronic form:

No action is required on the part of Debenture Holder(s) at the time of redemption of NCDs.

Payment on Redemption

The manner of payment of redemption is set out below:

NCDs held in physical form on account of re-materialisation

The payment on redemption of the NCDs will be made by way of cheque/pay order/ electronic modes. However, if our Company so requires, the aforementioned payment would only be made on the surrender of NCD certificate(s), duly discharged by the sole holder / all the joint-holders (signed on the reverse of the NCD certificate(s)). Dispatch of cheques/pay order, etc. in respect of such payment will be made on the redemption date or (if so, requested by our Company in this regard) within a period of 30 days from the date of receipt of the duly discharged NCD certificate.

In case we decide to do so, the redemption proceeds in the manner stated above would be paid on the redemption date to those Debenture Holders whose names stand in the Register of Debenture Holders maintained by us/Registrar to the Issue on the Record Date fixed for the purpose of redemption. Hence the transferees, if any, should ensure lodgement of the transfer documents with us at least 15 (fifteen) days prior to the Record Date. In case the transfer documents are not lodged with us at least 15 (fifteen) days prior to the Record Date and we dispatch the redemption proceeds to the transferor, claims in respect of the redemption proceeds should be settled amongst the parties *inter se* and no claim or action shall lie against us or the Registrar.

Our liability to holder(s) towards their rights including for payment or otherwise shall stand extinguished from the date of redemption in all events and when we dispatch the redemption amounts to the Debenture Holder(s).

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCD(s).

NCDs held in electronic form

On the redemption date, redemption proceeds would be paid by cheque /pay order / electronic mode to those Debenture Holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories' records on the Record Date fixed for the purpose of redemption. These NCDs will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of Debenture Holders.

Our liability to Debenture Holder(s) towards his/their rights including for payment or otherwise shall stand extinguished from the date of redemption in all events and when we dispatch the redemption amounts to the Debenture Holder(s).

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCD(s).

**In the event, the interest / payout of total coupon / redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the redemption amount is ₹1,837.5, then the amount shall be rounded off to ₹1,838.*

Right to reissue NCD(s)

Subject to the provisions of the Companies Act, 2013, where we have fully redeemed or repurchased any NCD(s), we shall have and shall be deemed always to have had the right to keep such NCDs in effect without extinguishment thereof, for the purpose of resale or reissue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such NCDs either by reselling or reissuing the same NCDs or by issuing other NCDs in their place. The aforementioned right includes the right to reissue original NCDs.

Sharing of information

We may, at our option, use on our own, as well as exchange, share or part with any financial or other information about the Debenture Holders available with us, and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

Notices

All notices to the Debenture Holder(s) required to be given by us or the Debenture Trustee shall be published in one English language newspaper having wide circulation and one regional language daily newspaper in Kerala and/or will be sent by post/ courier or through email or other electronic media to the registered holders of the NCD(s) from time to time.

Issue of a NCD Certificate(s)

If any NCD certificate(s), issued pursuant to rematerialisation, if any, is/are mutilated or defaced or the cages for recording transfers of NCDs are fully utilised, the same may be replaced by us against the surrender of such certificate(s). Provided, where the NCD certificate(s) are mutilated or defaced, the same will be replaced as aforesaid only if the certificate numbers and the distinctive numbers are legible.

If any NCD certificate is destroyed, stolen or lost then upon production of proof thereof to our satisfaction and upon furnishing such indemnity/security and/or documents as we may deem adequate, duplicate NCD certificate(s) shall be issued. Upon issuance of a duplicate NCD certificate, the original NCD certificate shall stand cancelled.

Future Borrowings

We will be entitled to borrow/raise loans or avail of financial assistance in whatever form as also to issue debentures/ NCDs/other securities in any manner having such ranking in priority, *pari-passu* or otherwise, subject to applicable consents, approvals or permissions that may be required under any statutory/regulatory/contractual requirement, and subject to the stipulated minimum security cover being maintained , and no event of default has occured and is continuing and change the capital structure including the issue of shares of any class, on such terms and conditions as we may think appropriate, without the consent of, or intimation to, the Debenture Holders or the Debenture Trustee in this connection. However, if consent and/or intimation is required under applicable law, then the Company shall obtain such consents and/ or intimation in accordance with such law.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who:

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹ 10 lakh or 1.00% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 10 lakh or 1.00% of the turnover of the Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 50 lakh or with both.

Pre-closure

Our Company, in consultation with the Lead Manager reserves the right to close this Issue at any time prior to the Issue Closing Date, subject to receipt of minimum subscription (75% of the Base Issue as provided in the relevant Tranche Issue). Our Company shall allot NCDs with respect to the Application Forms received at the time of such pre-closure in accordance with the Basis of Allotment as described herein and subject to applicable statutory and/or regulatory requirements. In the event of such early closure of this Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the Issue Closing Date for this Issue, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of the Issue have been given.

Minimum Subscription

If our Company does not receive the minimum subscription of 75% of Base Issue Size of the relevant Tranche Issue , prior to the Issue Closing Date, the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within six Working Days from the Issue Closing Date provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within six Working Days from the Issue Closing Date, failing which the Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 and Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription amount was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard included in the SEBI Master Circular.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company will issue a statutory advertisement on or before the Issue Opening Date. This advertisement will contain the information as prescribed in Schedule V of SEBI NCS Regulations in compliance with the Regulation 30(1) of SEBI NCS Regulations. Material updates, if any, between the date of filing of the Shelf Prospectus and relevant Tranche Prospectus with RoC and the date of release of the statutory advertisement, will be included in the statutory advertisement.

Listing

The NCDs offered through the Draft Shelf Prospectus, this Shelf Prospectus and relevant Tranche Prospectus are proposed to be listed on the BSE. Our Company has obtained an 'in-principle' approval for the Issue from the BSE *vide* their letter DCS/BM/PI-BOND/16/24-25 dated August 21, 2024. For the purposes of the Issue, BSE shall be the Designated Stock Exchange.

Our Company will use best efforts to ensure that all steps for the completion of the necessary formalities for listing at the Stock Exchange is taken within six Working Days of the Issue Closing Date. For the avoidance of doubt, it is hereby clarified that in the event of non- subscription to any one or more of the options, such option(s) of NCDs shall not be listed. If permissions to deal in and for an official quotation of our NCDs are not granted by the Stock Exchange, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the relevant Tranche Prospectus.

Guarantee/ Letter of Comfort

This Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

Arrangers to the Issue

No arrangers have been appointed for this Issue.

Monitoring & Reporting of Utilisation of Issue Proceeds

There is no requirement for appointment of a monitoring agency in terms of the SEBI NCS Regulations. Our Board shall monitor the utilisation of the proceeds of the Issue. Our Company will disclose in the Company's financial statements for the relevant financial year commencing from Financial Year 2025, the utilisation of the proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilised thereby also indicating investments, if any, of such unutilised proceeds of the Issue

Lien

Not Applicable

Lien on Pledge of NCDs

Subject to applicable laws, our Company, at its discretion, may note a lien on pledge of NCDs if such pledge of NCDs is accepted by any bank or institution for any loan provided to the Debenture Holder against pledge of such NCDs as part of the funding.

Register of NCD Holders

No transfer of title of a NCD will be valid unless and until entered on the Register of NCD Holders (for re materialized NCDs) or the register and index of NCD Holders maintained by the Depository prior to the Record Date. In the absence of transfer being registered, interest and/or Redemption Amount, as the case may be, will be paid to the person, whose name appears first in the Register of NCD Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the NCDs will need to be settled with the seller of the NCDs and not with our Company or the Registrar. The provisions relating to transfer and transmission and other related matters in respect of our Company's shares contained in the Articles of Association of our Company and the Companies Act shall apply, mutatis mutandis (to the extent applicable) to the NCDs as well.

Put / Call Option

As specified in the relevant Tranche Prospectus.

Record Date

The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 Days prior to the date on which interest is due and payable, and/or the date of redemption. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchange, as the case may be.

In case Record Date falls on a day when Stock Exchange is having a trading holiday, the immediate subsequent trading day will be deemed as the Record Date

Recovery Expense Fund

The Company has created a recovery expense fund and deposited an amount of ₹25 lakhs towards recovery expense fund ("**Recovery Expense Fund**"/ "**REF**") with the Designated Stock Exchange in the manner as specified by SEBI from time to time and informed the Debenture Trustee about the same. The Recovery Expense fund may be utilised by Debenture Trustee, in the event of default by the Company, for taking appropriate legal action to enforce the security.

Right to recall or redeem prior to maturity

Not Applicable

ISSUE PROCEDURE

*This section applies to all Applicants. Specific attention of all Applicants is invited to the SEBI Master Circular, which provides, inter-alia, that for all public issues of debt securities all Applicants shall mandatorily use the ASBA facility for participating in the Issue. ASBA Applicants and Applicants applying through the Direct Online Application Mechanism (as defined hereinafter) should note that the ASBA process and the Direct Online Application Mechanism involve application procedures that are different from the procedure applicable to all other Applicants. Please note that all Applicants are required to pay the full Application Amount or ensure that the ASBA Account has sufficient credit balance such that the entire Application Amount can be blocked by the SCSB while making an Application. Further in terms of the SEBI Master Circular retail individual investor may use the Unified Payment Interface (“**UPI**”) to participate in the public issue for an amount up to ₹ 5,00,000 through the app/web interface of the Stock Exchange or through intermediaries (Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants).*

Applicants should note that they may submit their Application Forms (including in cases where Applications are being made under the UPI mechanism) at (i) the Designated Branches of the SCSBs or (ii) at the Collection Centres, i.e. to the respective Members of the Consortium at the Specified Locations, the Trading Members at the Broker Centres, the CRTA at the Designated RTA Locations or CDP at the Designated CDP Locations or (iii) through BSE Direct, the app and/or web based interface/platform of the Stock Exchange, as applicable. For further information, please see “Issue Procedure - Submission of Completed Application Forms” on page 316.

Applicants are advised to make their independent investigations and ensure that their Application do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in this Shelf Prospectus.

Please note that this section has been prepared based on the SEBI Master Circular and the notifications issued by BSE, in relation to the UPI Mechanism.

Further, our Company, the Lead Manager and the Consortium Members do not accept any responsibility for any adverse occurrence consequent to the implementation of the UPI Mechanism for application in the Issue.

THE DESIGNATED INTERMEDIARIES (OTHER THAN TRADING MEMBERS), SCSBs AND OUR COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMISSIONS ON THE PART OF THE TRADING MEMBERS IN CONNECTION WITH THE RESPONSIBILITIES OF SUCH TRADING MEMBERS INCLUDING BUT NOT LIMITED TO COLLECTION AND UPLOAD OF APPLICATION FORMS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE. FURTHER, THE STOCK EXCHANGE SHALL BE RESPONSIBLE FOR ADDRESSING INVESTOR GRIEVANCES ARISING FROM APPLICATION THROUGH TRADING MEMBERS REGISTERED WITH THE STOCK EXCHANGE.

For purposes of this Issue, the term “Working Day” shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai and/or Cochin, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post issue period, i.e. period beginning from the Issue Closure to listing of the NCDs on the Stock Exchange, Working Day shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays in Mumbai, as per the SEBI NCS Regulations.

The information below is given for the benefit of the Investors. Our Company and the Lead Manager are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Shelf Prospectus.

PROCEDURE FOR APPLICATION

Availability of the Draft Shelf Prospectus, this Shelf Prospectus, Abridged Prospectus and Application Forms

Please note that only ASBA Applicants shall be permitted to make an application for the NCDs.

Please note that there is a single Application Form for Applicants who are Persons Resident in India.

Physical copies of the Abridged Prospectus containing the salient features of the Shelf Prospectus, the relevant Tranche Prospectus(es) together with Application Form may be obtained from:

(a) Our Company's Registered Office and Corporate Office;

(b) Offices of the Lead Manager/Syndicate Members;

(c) the CRTA at the Designated RTA Locations;

(d) the CDPs at the Designated CDP Locations;

(e) Trading Members at the Broker Centres;

(f) Designated Branches of the SCSBs; and

(g) Offices of the Consortium Members.

Electronic copies of the Draft Shelf Prospectus, this Shelf Prospectus and relevant Tranche Prospectus along with the downloadable version of the Application Form will be available on the websites of the Lead Manager, the Stock Exchange, SEBI and the SCSBs.

Electronic Application Forms may be available for download on the website of the Stock Exchange and on the websites of the SCSBs that permit submission of Application Forms electronically. A unique application number ("**UAN**") will be generated for every Application Form downloaded from the website of the Stock Exchange.

Our Company may also provide Application Forms for being downloaded and filled at such website as it may deem fit. In addition, brokers having online demat account portals may also provide a facility of submitting the Application Forms virtually online to their account holders.

Trading Members of the Stock Exchange can download Application Forms from the website of the Stock Exchange. Further, Application Forms will be provided to Trading Members of the Stock Exchange at their request.

UPI Investors making an Application upto ₹5 lakhs, using the UPI Mechanism, must provide the UPI ID in the relevant space provided in the Application Form. Application Forms that do not contain the UPI ID are liable to be rejected. UPI Investors applying using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI.

Who can apply?

The following categories of persons are eligible to apply in this Issue:

Category I – Institutional Investors

- Public financial institutions, scheduled commercial banks, and Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs;
- Provident funds with minimum corpus of ₹2,500 lakhs, and pension funds with minimum corpus of ₹2,500 lakhs registered with the Pension Find Regulatory and Development Authority which are authorised to invest in the NCDs;
- Alternative investment funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as ameded;
- Resident venture capital funds registered with SEBI;
- Insurance companies registered with the IRDAI;
- State industrial development corporations;
- Insurance funds set up and managed by the Indian army, navy or the air force of the Union of India or by the Department of Posts, India;
- Insurance funds set up and managed by the Department of Posts, India;
- Systemically important non-banking financial companies registered with RBI;
- National Investment Fund (set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India and published in the Gazette of India); and
- Mutual funds registered with SEBI.

Category II – Non-Institutional Investors

- Companies falling within the meaning of Section 2(20) of the Companies Act 2013; statutory bodies corporations and

societies registered under the applicable laws in India and authorised to invest in the NCDs;
- Co-operative banks and regional rural banks;
- Trust including public/private charitable/religious trusts which are authorised to invest in the NCDs;
- Educational institutions and associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment; which are authorised to invest in the NCDs;
- Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;
- Partnership firms in the name of the partners;
  Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009);
- Association of persons; and
- Any other incorporated and/ or unincorporated body of persons

Category III - High Net-worth Individual, ("HNIs"),Investors

Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10,00,000 across all options of NCDs in the Issue.

Category IV - Retail Individual Investors

Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 10,00,000 across all options of NCDs in the Issue and shall include Retail Individual Investors, who have submitted bid for an amount not more than ₹ 500,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and does not include NRIs) though UPI Mechanism.

For Applicants applying for NCDs, the Registrar shall verify the above on the basis of the records provided by the Depositories based on the DP ID Client ID and where applicable the UPI ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange by the Members of the Syndicate or the Trading Members, as the case may be.

Please note that it is clarified that Persons Resident outside India shall not be entitled to participate in the Issue and any applications from such persons are liable to be rejected.

Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that Application made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to this Issue.

The Lead Manager or Consortium Member and its respective associates and affiliates are permitted to subscribe in the Issue.

Who are not eligible to apply for NCDs?

The following categories of persons, and entities, shall not be eligible to participate in this Issue and any Application from such persons and entities are liable to be rejected:

i. Minors without a guardian name*(A guardian may apply on behalf of a minor. However, Application by minors must be made through Application Forms that contain the names of both the minor Applicant and the guardian);

ii. Foreign nationals, NRI *inter-alia* including any NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;

iii. Persons resident outside India and other foreign entities;

iv. Foreign Institutional Investors

v. Foreign Portfolio Investors;

vi. Foreign Venture Capital Investors;

vii. Qualified Foreign Investors;

viii. Overseas Corporate Bodies; and

ix. Persons ineligible to contract under applicable statutory/regulatory requirements.

**Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872*

Based on the information provided by the Depositories, our Company shall have the right to accept Application Forms belonging to an account for the benefit of a minor (under guardianship). In case of such Application, the Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange.

The concept of Overseas Corporate Bodies (meaning any company, partnership firm, society and other corporate body or overseas trust irrevocably owned/held directly or indirectly to the extent of at least 60% by NRIs), which was in existence until 2003, was withdrawn by the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, OCBs are not permitted to invest in this Issue.

Please see *"Issue Procedure - Rejection of Applications*" on page 318 for information on rejection of Applications.

Method of Application

In terms of the SEBI Master Circular, an eligible Investor desirous of applying in this Issue can make Applications through the ASBA mechanism only. Applicants are requested to note that in terms of the SEBI Master Circular, SEBI has mandated issuers to provide, through a recognised stock exchange which offers such a facility, an online interface enabling direct application by investors to a public issue of debt securities with an online payment facility ("**Direct Online Application Mechanism**"). In this regard, SEBI has, through the SEBI Master Circular, directed recognized Stock Exchange in India to put in necessary systems and infrastructure for the implementation of the SEBI Master Circular and the Direct Online Application Mechanism infrastructure for the implementation of the SEBI Master Circular and the Direct Online Application Mechanism. Further, SEBI vide the SEBI Master Circular has directed the stock exchanges in India to formulate and disclose the operational procedure for making an application through the app/web based interface developed by them in order for investors to apply in public issue on their websites.

All Applicants shall mandatorily apply in the Issue either through:

1. the ASBA process (including UPI Investors). Applicants intending to subscribe in the Issue shall submit a duly filled Application Form to any of the Designated Intermediaries; or

2. UPI Investors having a valid UPI ID, through the app/web-based interface platform of the Stock Exchange (BSE Direct) wherein the application would automatically be uploaded onto the Stock Exchange's bidding platform and the amount will be blocked using the UPI Mechanism.

3. Additionally, certain SEBI registered UPI handles which can be accessed at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43, may also be used for making an Application through the UPI Mechanism.

Application process through physical Application Form

Applicants opting for the physical mode of Application process, should submit the Application Form (including for Applications under the UPI Mechanism) only at the Collection Centres, i.e. to the respective Members of the Syndicate at the Specified Locations, the SCSBs at the Designated Branches, the registered broker at the Broker Centres, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations. Kindly note that Application Forms submitted by Applicants at the Specified Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries for deposit of the Application Forms. A list of such branches is available on SEBI's website *for Applications under the UPI Mechanism* at https://www.sebi.gov.in.

The relevant Designated Intermediaries, upon receipt of Application Forms from ASBA Applicants (including for

Applications under the UPI Mechanism), shall upload the details of these Application Forms to the online platform of the Stock Exchange and submit the Application Forms (except Application Forms submitted by UPI Investors under the UPI Mechanism) with the SCSB with whom the relevant ASBA Accounts are maintained. An Applicant shall submit the Application Form, which shall be stamped at the relevant Designated Branch of the SCSB, with the SCSB and can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form. For Applicants submitting the physical application Form who wish to block the funds in their respective UPI linked bank account through the UPI Mechanism, post uploading of the details of the Application Forms into the online platform of the Stock Exchange, the Stock Exchange shall share the Application details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate a UPI Mandate Request to such UPI Investors for blocking of funds.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Manager and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to ASBA Applications accepted by the Designated Intermediaries, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs (other than UPI Applications), the Application Amount payable on Application has been blocked in the relevant ASBA Account and for Applications by UPI Investors under the UPI Mechanism, uploaded by Designated Intermediaries, the Application Amount payable on Application has been blocked under the UPI Mechanism.

APPLICATION PROCESS THROUGH APP/WEB BASED INTERFACE OF THE STOCK EXCHANGE – *BSE DIRECT*

SEBI, vide the SEBI MASTER CIRCULAR, has introduced an additional mode for application in the Issue through online (app / web) interface/platform of the Stock Exchange. In furtherance to the same, the Stock Exchange has extended the facility of '**BSE Direct**', which is a web based and a mobile app-based platform for making an Application in the Issue where the funds can be blocked through the UPI Mechanism. BSE Direct platform can be accessed at **https://www.bsedirect.com** and can be accessed through the mobile app available (for android phone users only) on the Google Playstore.

PLEASE NOTE THAT APPLICATIONS IN THE ISSUE, THROUGH THE 'BSE DIRECT' PLATFORM, CAN ONLY BE MADE BY UPI INVESTORS, I.E., APPLICANTS WHO MAKE AN APPLICATION IN THE ISSUE FOR AN AMOUNT UPTO ₹5 LAKHS ONLY.

BSE Limited, the Designated Stock Exchange, has vide notifications dated December 28, 2020, notified the detailed operational procedure for making an Application, under the UPI Mechanism, using BSE Direct. The detailed operational instructions and guidelines issued by the Stock Exchange can be accessed on the Stock Exchange's website https://www.bseindia.com/.

OPERATIONAL INSTRUCTIONS AND GUIDELINES

Certain relevant operational instructions and guidelines, for using BSE Direct to make an Application in the Issue, are listed below:

a. **General Instructions –**

i. Applicants are required to preregister themselves with BSE Direct. For the detailed process of registration and Applications under the BSE Direct Platform, see "*Issue Procedure - Process of Registration and Application on BSE Direct Platform/Mobile App*" on page 305.
ii. Applicants can access BSE Direct platform via internet at https://www.bsedirect.com or through the mobile app (on android phones only) called BSE Direct which can be downloaded from the Google Playstore.
iii. The Stock Exchange shall make the Draft Shelf Prospectus, this Shelf Prospectus, relevant Tranche Prospectus and Issue related details available on its website under the 'Forthcoming Issues' a day prior to the Issue Opening Date and the details of the Issue shall also be made available on the issue page of BSE Direct.
iv. The BSE Direct platform, offers a facility of making a direct application through the web based platform or the mobile app with a facility to block funds upto ₹5 lakhs through the UPI Mechanism.
v. The mode of allotment for Applications made through the BSE Direct platform, shall mandatorily be in dematerialised form only.

b. **Order Entry Parameters -**

Pursuant to the SEBI Master Circular and other relevant SEBI circulars, the following operating parameters shall be made available for making an Application in the Debt IPO Segment. Applicants are requested to note the following general instructions:

i. The Issue symbol will remain same across all series/options;
ii. Applicants can enter order for a single Application having different series within one order entry screen.
iii. Before submission of the Application, the Applicant should have created an UPI ID with a maximum length of 45 characters including the handle (example: investorId@bankname)

Applicants can only submit an Application with the UPI Mechanism as the payment mode. The Applications which are successfully accepted will be allotted a bid id or order no.

c. **Modification and cancellation of orders**

i. An Applicant shall not be allowed to add or modify the Application except for modification of either DP ID/Client ID, or PAN but not both.
ii. The Applicant can withdraw the bid(s) submitted under a single Application and reapply.
iii. The part cancellation of bid in a single Application will not be permitted.

For details of the process post the Application details being entered into the bidding platform of the Stock Exchange, see "*Issue Procedure – Submission of Applications - for Applications under the UPI Mechanism*" on page 310.

d. **Re-initiation of Bids**

i. If the Applicant has not received the UPI Mandate vide an SMS or on the mobile app, associated with the UPI ID linked bank account, they will have the option to re-initiate the bid which is pending for confirmation.
ii. The facility of re-initiation/ resending the UPI Mandate shall be available only till 5 pm on the day of bidding.
iii. The Designated Intermediaries shall be permitted to use the re-initiation of Application option only once.

e. **Acceptance of the UPI Mandate**

i. An Applicant will be required to accept the UPI Mandate by 5:00 pm on the third Working Day from the day of bidding on the Stock Exchange platform except for the last day of the Issue Period or any other modified closure date of the Issue Period in which case, they shall be required to accept the UPI Mandate by 5:00 pm of the next Working Day. As the Company reserves the right to close the issue prior to the Issue Closing Date, hence is advisable that the Applicants should accept the UPI mandate by 5:00 pm on the Working Day subsequent to date of submission of the Application on BSE Direct.
ii. The transaction will be treated completed only after the UPI Mandate is accepted by the Applicant and the transaction is authorised by entering of their respective UPI PIN and successful blocking of fund through ASBA process by the Applicant's bank.
iii. If the Applicant fails to accept the mandate within stipulated timelines, their Application will not be considered for allocation.
iv. Applicants are required to check the status of their Applications with regards to the UPI Mandate acceptance and blocking of fund in the UPI Report for completion of the transaction.
v. Please note that the display of status of acceptance of the UPI Mandate/fund blocking shall be solely based on the data received from the Sponsor Bank.

f. **Order book and T+1 Modification**

i. The order book will be available in the Debt module of the Stock Exchange in real time basis.
ii. An Applicant shall be allowed to modify selected fields such as their DP ID/Client ID or PAN (Either DP ID/Client ID or PAN can be modified but not both) on T+1 day for a validated bid.

g. **Applicant's responsibilities**

i. Applicants shall check the Issue details before making an Application.
ii. Applicants shall only be able to make an Application for an amount upto ₹5 lakhs.
iii. Applicants shall have only UPI as the payment mechanism with ASBA.
iv. Applicants must check and understand the UPI Mandate acceptance and the fund blocking process before making

an Application.

v. The receipt of SMS for UPI Mandate acceptance depends upon the system response/ integration of UPI on the Debt Public Issue System.
vi. Applicants must check their respective mobiles for an SMS or the mobile app, associated with the UPI ID linked bank account, for receipt of the UPI Mandate.
vii. Applicants must accept the UPI Mandate request within stipulated timelines.
viii. Applicants must note that the transaction will be treated completed only after the UPI Mandate is accepted by the Applicant and the transaction is authorised by entering of their respective UPI PIN and successful blocking of fund through ASBA process by the Applicant's bank.
vi. If the Applicant fails to accept the mandate within stipulated timelines, their Application will not be considered for allocation.
vii. Applicants are required to check the status of their Applications with regards to the UPI Mandate acceptance and blocking of fund in the UPI Report for completion of the transaction.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Manager, the Registrar to the Issue or the Stock Exchange shall not be liable or responsible in the event an Applicant fails to receive the UPI Mandate acceptance request on their mobile or they fail to accept the UPI Mandate within the stipulated time period or due to any technical/other reasons

Process of Registration and Application on BSE Direct Platform/Mobile App

a. **Process of Registration for Investor**

i. To make an Application on the BSE Direct platform/ mobile app an Applicant is required to register themselves with the platform/mobile app.
ii. At the time of registration, the Applicant shall be required to select the option of "New Registration Without Broker" and enter their respective PAN along with details of their demat account (i.e., DP ID and Client ID) and UPI ID.
iii. The Stock Exchange shall verify the PAN and demat account details entered by the Applicant with the Depository, within one Working Day.
iv. The Applicant shall be required to accept the terms and conditions and also enter the correct 'One Time Password' ("**OTP**") sent on their respective mobile phones and email IDs to complete the registration process.
v. Upon the successful OTP confirmation, the Applicant's registration request shall be accepted, and a reference number shall be provided to them for checking their registration status.
vi. At the time of demat account verification, the Stock Exchange shall also validate Applicant's client type (investor category) present in demat account.
vii. An Applicant's registration shall be rejected if an incorrect investor category and/or demat account details have been entered.
viii. Post the verification of the demat account, the Stock Exchange shall activate the Applicant's profile for making an Application and also provide a user ID (which is PAN) and password for login onto the BSE Direct platform.
ix. An Applicant shall be able to view their respective details including their demat account, by accessing the tab 'My Profile'.
x. To modify their details, an Applicant must login to the BSE Direct portal and click on 'My profile'.
xi. The Stock Exchange shall revalidate the modified details with Depository.
xii. No modification request shall be accepted during the Issue Period if the Applicant has made an Application in the Issue.
xiii. To re-generate a new password, the Applicant can use the 'Forget Password' option.
xiv. Existing investors who are already registered for "GSec AND T-Bills investment", can also use the facility for applying in the Issue by using the UPI Mechanism for blocking of funds for Applications with a value upto ₹5 lakhs.

b. **Process to place Bid via BSE Direct platform/ mobile app**

i. The Issue, during the Issue Period, shall be opened for subscription and will be available for making an Application through the BSE Direct platform/ mobile app.
ii. Upon successful login, an Applicant can select the Issue to make an Application.
iii. The details of PAN and DP ID and Client ID will be populated based on the registration done by the Applicant.
iv. Before submission of the Application, an Applicant would be required to create a UPI ID with a maximum length of 45 characters including the handle (Example: investorId@bankname)
v. An Applicant shall be required to enter a valid UPI ID, in the UPI ID field.

vi. An Applicant must select the series/option along with number of NCDs being applied for in the Issue.
vii. Applicants must check the Issue details before making an Application.
viii. Applicant will only be able to make an Application for an amount of upto ₹5 lakhs.
ix. Applicants shall only have UPI as a payment mechanism with ASBA.
x. Applicants must check and understand the UPI Mandate acceptance and blocking of fund process before making an Application.

For details of the blocking process post the Application details being entered into the bidding platform of the Stock Exchange, see "*Issue Procedure – Submission of Applications - for Applications under the UPI Mechanism*" on page 310.

c. **SMS from the Exchange**

i. Post completion of the blocking process, the Stock Exchange shall send an SMS to the Applicant regarding submission of the Application at the end of day, during the Issue Period and for the last day of the Issue Period, the SMS shall be sent the next Working Day.

d. **Modification and Cancellation of Orders**

i. An Applicant shall not be allowed to add or modify the bid(s) of the Application except for modification of either DP ID/Client ID, or PAN but not both.
ii. An Applicant can withdraw the bid(s) submitted under a single Application and reapply. However, part cancellation of bid in a single Application is not permitted.

e. **Re-initiation of Bid**

i. If the Applicant has not received the UPI Mandate vide an SMS or on the mobile app, associated with the UPI ID linked bank account, they will have the option to re-initiate the bid which is pending for confirmation, after the lapse of reasonable time.
ii. The Designated Intermediaries shall be permitted to use the re-initiation of Application option only once.

For details of the process of the UPI Mandate acceptance, see "*Issue Procedure – Operational Instructions and Guidelines - Acceptance of the UPI Mandate*" on page 303.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Manager, the Registrar to the Issue or the Stock Exchange shall not be liable or responsible in the event an Applicant fails to receive the UPI Mandate acceptance request on their mobile or they fail to accept the UPI Mandate within the stipulated time period or due to any technical/other reasons. Sine the process of making an Application through BSE Direct is based on notifications issued by the Stock Exchange, Applicants are requested to check the website of the Stock Exchange for any further notifications by the Stock Exchange amending, supplementing, updating or revising the process of Applications through BSE Direct.

APPLICATIONS FOR ALLOTMENT OF NCDs

Details for Applications by certain categories of Applicants including documents to be submitted are summarized below.

Applications by Mutual Funds

Pursuant to the SEBI circular SEBI/HO/IMD/DF2/CIR/P/2019/104 dated October 1, 2019 ("**SEBI Circular 2019**"), mutual funds are required to ensure that the total exposure of debt schemes of mutual funds in a particular sector shall not exceed 20% of the net assets value of the scheme. Further, the additional exposure limit provided for financial services sector not exceeding 10% of net assets value of scheme shall be allowed only by way of increase in exposure to HFCs. However, the overall exposure in HFCs shall not exceed the sector exposure limit of 20% of the net assets of the scheme Further, the group level limits for debt schemes and the ceiling be fixed at 10% of net assets value extendable to 15% of net assets value after prior approval of the board of trustees.

A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the AMCs or custodians of a mutual fund shall clearly indicate the name of the concerned scheme for which Application is being made. In case of Applications made by Mutual Fund registered with SEBI, a certified copy of their SEBI registration certificate must be submitted with the Application Form. **Failing this, our Company reserves the right to accept or reject any Application in whole or in**

part, in either case, without assigning any reason therefor.

Application by Systemically Important Non-Banking Financial Companies

Systemically Important Non- Banking Financial Company, a non-banking financial company registered with the Reserve Bank of India and having a net-worth of more than five hundred crore rupees as per the last audited financial statements can apply in this Issue based on their own investment limits and approvals. The Application Form must be accompanied by a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s). **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor**.

Application by commercial banks, co-operative banks and regional rural banks

Commercial banks, co-operative banks and regional rural banks can apply in this Issue based on their own investment limits and approvals. The Application Form must be accompanied by certified true copies of their (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Pursuant to SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making Applications on their own account using ASBA Facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making Application in public issues and clear demarcated funds should be available in such account for applications.

Application by Insurance Companies

In case of Applications made by insurance companies registered with the Insurance Regulatory and Development Authority of India ("**IRDAI**"), a certified copy of certificate of registration issued by IRDAI must be lodged along with Application Form. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.**

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by the IRDAI from time to time to time including the IRDA (Investment) Regulations, 2000.

Application by Indian Alternative Investment Funds

Applications made by Alternative Investment Funds eligible to invest in accordance with the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, as amended (the "**SEBI AIF Regulations**") for Allotment of the NCDs must be accompanied by certified true copies of SEBI registration certificate. The Alternative Investment Funds shall at all times comply with the requirements applicable to it under the SEBI AIF Regulations and the relevant notifications issued by SEBI. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Applications by associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment

In case of Applications made by 'Associations of Persons' and/or bodies established pursuant to or registered under any central or state statutory enactment, must submit a (i) certified copy of the certificate of registration or proof of constitution, as applicable, (ii) power of attorney, if any, in favour of one or more persons thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to this Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Trusts

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) power of attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to this Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or **regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Public Financial Institutions or Statutory Corporations, which are authorised to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) any act/ rules under which they are incorporated; (ii) board resolution authorising investments; and (iii) specimen signature of authorised person. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Provident Funds, Pension Funds, Superannuation Funds and Gratuity Fund, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of incorporation/ registration under any act/rules under which they are incorporated. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Applications by National Investment Fund

The Application must be accompanied by certified true copies of: (i) resolution authorising investment and containing operating instructions; and (ii) specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Application by Companies, bodies corporate and societies registered under the applicable laws in India

The Application must be accompanied by certified true copies of the registration under the act/ rules under which they are incorporated. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Indian Scientific and/or industrial research organizations, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of the registration under the act/ rules under which they are incorporated. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008

The Application must be accompanied by certified true copies of certified copy of certificate of the partnership deed or registration issued under the Limited Liability Partnership Act, 2008, as applicable. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications under Power of Attorney

In case of Applications made pursuant to a power of attorney by Applicants who are Institutional Investors or Non-Institutional Investors, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, with a certified copy of the memorandum of association and articles of association and/or bye laws must be submitted with the Application Form. In case of Applications made pursuant to a power of attorney by Applicants, a certified copy of the power of attorney must be submitted with the Application Form. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor. Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney with the**

Application Forms subject to such terms and conditions that our Company and the Lead Manager may deem fit.

Brokers having online demat account portals may also provide a facility of submitting the Application Forms online to their account holders. Under this facility, a broker receives an online instruction through its portal from the Applicant for making an Application on his/ her behalf. Based on such instruction, and a power of attorney granted by the Applicant to authorise the broker, the broker makes an Application on behalf of the Applicant.

APPLICATIONS FOR ALLOTMENT OF NCDs

This section is for the information of the Applicants proposing to subscribe to the Issue. The Lead Manager and our Company are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Shelf Prospectus. Investors are advised to make their independent investigations and to ensure that the Application Form is correctly filled up.

Our Company, our Directors, affiliates, associates and their respective directors and officers, the Lead Manager and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications (including Applications under the UPI Mechanism) accepted by and/or uploaded by and/or accepted but not uploaded by Trading Members, registered brokers, CDPs, RTAs and SCSBs who are authorised to collect Application Forms from the Applicants in the Issue, or Applications accepted and uploaded without blocking funds in the ASBA Accounts by SCSBs or failure to block the Application Amount under the UPI Mechanism.. It shall be presumed that for Applications uploaded by SCSBs (other than UPI Applications), the Application Amount payable on Application has been blocked in the relevant ASBA Account and for Applications by UPI Investors under the UPI Mechanism, uploaded by Designated Intermediaries, the Application Amount payable on Application has been blocked under the UPI Mechanism.

The list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive Application Forms from the Members of the Syndicate is available on the website of SEBI (https://www.sebi.gov.in) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Syndicate at Specified Locations, see the website of the SEBI (https://www.sebi.gov.in) as updated from time to time or any such other website as may be prescribed by SEBI from time to time. The list of registered brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the website of the Stock Exchange at www.bseindia.com. The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the registered brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Submission of Applications

Applications can be submitted through either of the following modes:

(a) Physically or electronically to the Designated Branches of the SCSB(s) with whom an Applicant's ASBA Account is maintained. In case of Application in physical mode, the Applicant shall submit the Application Form at the relevant Designated Branch of the SCSB(s). The Designated Branch shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account and shall also verify that the signature on the Application Form matches with the Investor's bank records, as mentioned in the Application Form, prior to uploading such Application into the electronic system of the Stock Exchange. **If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such Application and shall not upload such Application in the electronic system of the Stock Exchange.** If sufficient funds are available in the ASBA Account, the Designated Branch shall block an amount equivalent to the Application Amount and upload details of the Application in the electronic system of the Stock Exchange. The Designated Branch of the SCSBs shall stamp the Application Form and issue an acknowledgement as proof of having accepted the Application.

    In case of Application being made in the electronic mode, the Applicant shall submit the Application either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for application and blocking funds in the ASBA Account held with SCSB, and accordingly registering such Application.

(b) Physically through the Designated Intermediaries at the respective Collection Centres. Kindly note that above Applications submitted to any of the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account is maintained, as specified in the Application Form, has not named at least one branch at that Collection Center where the Application Form is submitted (a list of such branches is available at https://www.sebi.gov.in).

(c) A UPI Investor making an Application in the Issue under the UPI Mechanism, where the Application Amount is upto ₹5 lakhs, can submit his Application Form physically to a SCSB or a Designated Intermediary. The Designated Intermediary shall upload the application details along with the UPI ID on the Stock Exchange's bidding platform using appropriate protocols. Kindly note that in this case, the Application Amount will be blocked through the UPI Mechanism.

(d) A UPI Investor may also submit the Application Form for the Issue through BSE Direct, wherein the Application will be automatically uploaded onto the Stock Exchange's bidding platform and an amount equivalent to the Application Amount shall be blocked using the UPI Mechanism.

Upon receipt of the Application Form by the Designated Intermediaries, an acknowledgement shall be issued by the relevant Designated Intermediary, giving the counter foil of the Application Form to the Applicant as proof of having accepted the Application. Thereafter, the details of the Application shall be uploaded in the electronic system of the Stock Exchange. Post which:

(a) ***for Applications other than under the UPI Mechanism*** - the Application Form shall be forwarded to the relevant branch of the SCSB, in the relevant Collection Center, named by such SCSB to accept such Applications from the Designated Intermediaries (a list of such branches is available at https://www.sebi.gov.in). Upon receipt of the Application Form, the relevant branch of the SCSB shall perform verification procedures including verification of the Applicant's signature with his bank records and check if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form. **If sufficient funds are not available in the ASBA Account, the relevant Application Form is liable to be rejected.** If sufficient funds are available in the ASBA Account, the relevant branch of the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form.

(b) ***for Applications under the UPI Mechanism*** – once the Application details have been entered in the bidding platform through Designated Intermediaries or BSE Direct, the Stock Exchange shall undertake validation of the PAN and Demat account combination details of the Applicant with the Depository. The Depository shall validate the PAN and Demat account details and send response to the Stock Exchange which would be shared by the Stock Exchange with the relevant Designated Intermediary through its platform, for corrections, if any. Post uploading of the Application details on the Stock Exchange's platform, the Stock Exchange shall send an SMS to the Applicant regarding submission of the Application. Post undertaking validation with the Depository, the Stock Exchange shall, on a continuous basis, electronically share the bid details along with the Applicants UPI ID, with the Sponsor Bank appointed by our Company. The Sponsor Bank shall then initiate a UPI Mandate Request on the Applicant. The request raised by the Sponsor Bank, would be electronically received by the Applicant as an SMS or on the mobile app, associated with the UPI ID linked bank account. The Applicant shall then be required to authorise the UPI Mandate Request. Upon successful validation of block request by the Applicant, the information would be electronically received by the Applicants' bank, where the funds, equivalent to Application Amount, would get blocked in the Applicant's ASBA Account. The status of block request would also be shared with the Sponsor Bank, which in turn would be shared with the Stock Exchange. The block request status would also be displayed on the Stock Exchange platform for information of the Designated Intermediary

    The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/failure of this Issue or until withdrawal/ rejection of the Application Form, as the case may be.

Applicants must note that:

(a) Application Forms will be available with the Designated Branches of the SCSBs and with the Designated Intermediaries at the respective Collection Centres; and electronic Application Forms will be available on the websites of the SCSBs and the Stock Exchange at least one day prior to the Issue Opening Date. Physical Application Forms will also be provided to the Trading Members of the Stock Exchange at their request. The Application Forms would be serially numbered. Further, the SCSBs will ensure that this Shelf Prospectus is made available on their websites. The physical Application Form submitted to the Designated Intermediaries shall bear the stamp of the relevant Designated Intermediary. In the event the Application Form does not bear any stamp, the same shall be liable to be rejected.

(b) The Designated Branches of the SCSBs shall accept Application Forms directly from Applicants only during the Issue Period. The SCSBs shall not accept any Application Forms directly from Applicants after the closing time of acceptance of Applications on the Issue Closing Date. However, the relevant branches of the SCSBs at Specified Locations can accept Application Forms from the Designated Intermediaries, after the closing time of acceptance of Applications on the Issue Closing Date, if the Applications have been uploaded. For further information on the Issue programme, please see "*General Information – Issue Programme*" on page 50.

Physical Application Forms directly submitted to SCSBs should bear the stamp of SCSBs, if not, the same are liable to be rejected.

Please note that Applicants can make an Application for Allotment of NCDs in the dematerialised form only.

INSTRUCTIONS FOR FILLING-UP THE APPLICATION FORM

General Instructions

A. General instructions for completing the Application Form

- Applications must be made in prescribed Application Form only;

- Application Forms must be completed in **BLOCK LETTERS IN ENGLISH**, as per the instructions contained in this Shelf Prospectus and the Application Form;

- If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names;

- Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details (in case of Applicants applying for Allotment of the Bonds in dematerialised form) and Applications should be made by Karta in case the Applicant is an HUF. Please ensure that such Applications contain the PAN of the HUF and not of the Karta;

- Applicants must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of the Stock Exchange by SCSBs, the Designated Intermediaries, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs;

- Applications must be for a minimum of 10 NCDs and in multiples of one NCD thereafter. For the purpose of fulfilling the requirement of minimum application size of 10 NCDs, an Applicant may choose to apply for 10 NCDs of the same option or across different option;

- If the ASBA Account holder is different from the Applicant, the Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Application Form;

- If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form;

- Applications should be made by Karta in case of HUFs. Applicants are required to ensure that the PAN details of the HUF are mentioned and not those of the Karta;

- Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any other languages specified in the Eighth Schedule of the Constitution needs to be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his/her seal;

- The Designated Intermediaries or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the Acknowledgement Slip. This Acknowledgement Slip will serve as the duplicate of the Application Form for the records of the Applicant;

- Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Designated Intermediaries or the Designated Branch of the SCSBs, as the case may be;

- Every Applicant should hold valid Permanent Account Number and mention the same in the Application Form;

- All Applicants are required to tick the relevant column of "Category of Investor" in the Application Form; and

- All Applicants should correctly mention the ASBA Account number and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form to the Designated Branch and also ensure that the signature in the Application Form matches with the signature in Applicant's bank records, otherwise the Application is liable to be rejected.

The option, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Designated Intermediaries in the data entries as such data entries will be considered for Allotment.

Applicants should note that neither the Members of Syndicate, Trading Member of the Stock Exchange, Public Issue Account Banks nor Designated branches of SCSBs, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms.

Our Company would allot the option of NCDs, as specified in the relevant Tranche Prospectus(es) to all valid Applications, wherein the Applicants have not indicated their choice of the relevant Option of NCDs. Appropriate instructions will be given to the Designated Intermediaries to indicate Option II as the Applicant's choice of the relevant NCD Option wherein the Applicants have not indicated their choice.

B. Applicant's Beneficiary Account Details

Applicants must mention their DP ID, Client ID and UPI ID (wherever applicable) in the Application Form and ensure that the name provided in the Application Form is exactly the same as the name in which the Beneficiary Account is held. In case the Application Form is submitted in the first Applicant's name, it should be ensured that the Beneficiary Account is held in the same joint names and in the same sequence in which they appear in the Application Form. In case the DP ID, Client ID, PAN and UPI ID (wherever applicable) mentioned in the Application Form and entered into the electronic system of the Stock Exchange do not match with the DP ID, Client ID, PAN and UPI ID (wherever applicable) available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected. Further, Application Forms submitted by Applicants whose beneficiary accounts are inactive, will be rejected.

On the basis of the Demographic Details as appearing on the records of the DP, the Registrar to the Issue will take steps towards demat credit of NCDs. Hence, Applicants are advised to immediately update their Demographic Details as appearing on the records of the DP and ensure that they are true and correct, and carefully fill in their Beneficiary Account details in the Application Form. Failure to do so could result in delays in demat credit and neither our Company, Designated Intermediaries, SCSBs, Registrar to the Issue nor the Stock Exchange will bear any responsibility or liability for the same.

In case of Applications made under power of attorney, our Company in its absolute discretion, reserves the right to permit the holder of power of attorney to request the Registrar that for the purpose of printing particulars on the Allotment Advice, the Demographic Details obtained from the Depository of the Applicant shall be used.

By signing the Application Form, the Applicant would have deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records. The Demographic Details given by Applicant in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to this Issue. Allotment Advice would be mailed by speed post or registered post at the address of the Applicants as per the Demographic Details received from the Depositories. Applicants may note that delivery of Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Further, please note that any such delay shall be at such Applicants' sole risk and neither our Company, Registrar to the Issue, Public Issue Account Bank, Sponsor Bank nor the Lead Manager shall be liable to compensate the Applicant for any losses caused to the Applicants due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this Shelf Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to this Issue will be made into the accounts of such Applicants. **Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the parameters, namely, DP ID, Client ID, PAN and UPI ID (wherever applicable), then such Application are liable to be rejected.**

C. Permanent Account Number

The Applicant should mention his or her Permanent Account Number (PAN) allotted under the IT Act. For minor Applicants, applying through the guardian, it is mandatory to mention the PAN of the minor Applicant. However, Applications on behalf of the Central or State Government officials and the officials appointed by the courts in terms of the RTA Master Circular and Applicants residing in the state of Sikkim who in terms of a SEBI circular dated July 20, 2006 may be exempt from specifying their PAN for transacting in the securities market. In accordance with the RTA Master Circular issued by SEBI, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. Any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction. It is to be specifically noted that the Applicants should not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

D. Joint Applications

Applications may be made in single or joint names (not exceeding three). In the case of joint Applications all interest / redemption amount payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.

E. Additional/Multiple Applications

An Applicant is allowed to make one or more Applications for the NCDs for the same or other option of NCDs, subject to a minimum Application size as specified in the relevant Tranche Prospectus(es) and in multiples of thereafter as specified in the relevant Tranche Prospectus(es). **Any Application for an amount below the aforesaid minimum Application size will be deemed as an invalid Application and shall be rejected**. However, multiple Applications by the same individual Applicant aggregating to a value exceeding ₹ 10 lakhs shall be deemed such individual Applicant to be an HNI Applicant and all such Applications shall be grouped in the HNI Portion, for the purpose of determining the Basis of Allotment to such Applicant. However, any Application made by any person in his individual capacity and an Application made by such person in his capacity as a Karta of a Hindu Undivided family and/or as Applicant (second or third Applicant), shall not be deemed to be a multiple Application. For the purposes of allotment of NCDs under this Issue, Applications shall be grouped based on the PAN, i.e. Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is one and the same. For the sake of clarity, two or more applications shall be deemed to be a multiple Application for the aforesaid purpose if the PAN number of the sole or the first Applicant is one and the same.

Do's and Don'ts

Applicants are advised to take note of the following while filling and submitting the Application Form:

Do's

1. Check if you are eligible to apply as per the terms of this Shelf Prospectus and applicable law, rules, regulations, guidelines and approvals.
2. Read all the instructions carefully and complete the Application Form in the prescribed form.
3. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of NCDs pursuant to this Issue.
4. Ensure that the DP ID, the Client ID and the PAN mentioned in the Application Form, which shall be entered into the electronic system of the Stock Exchange are correct and match with the DP ID, Client ID and PAN available in the Depository database. Ensure that the DP ID, Client ID, PAN and UPI ID (wherever applicable) are correct and the depository account is active as Allotment of the Equity Shares will be in dematerialized form only. The requirement for providing Depository Participant details is mandatory for all Applicants.
5. Ensure that you have mentioned the correct ASBA Account number (for all Applicants other than UPI Investors

applying using the UPI Mechanism) in the Application Form. Further, UPI Investors using the UPI Mechanism must also mention their UPI ID.

6. UPI Investors applying using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking, is certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries.
7. UPI Investors applying using the UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Investors shall ensure that the name of the app and the UPI handle which is used for making the application appears on the list displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected.
8. Ensure that the Application Form is signed by the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) in case the Applicant is not the ASBA account holder. Applicants (except UPI Investors making an Application using the UPI Mechanism) should ensure that they have an account with an SCSB and have mentioned the correct bank account number of that SCSB in the Application Form. UPI Investors applying using the UPI Mechanism should ensure that they have mentioned the correct UPI- linked bank account number and their correct UPI ID in the Application Form.
9. Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch of the SCSB, or to the Designated Intermediaries, as the case may be.
10. UPI Investors making an Application using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to Application Amount and subsequent debit of funds in case of Allotment, in a timely manner.
11. UPI Investors making an Application using the UPI Mechanism shall ensure that details of the Application are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using their UPI PIN. Upon the authorization of the mandate using their UPI PIN, the UPI Investor may be deemed to have verified the attachment containing the application details of the UPI Investor making and Application using the UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Application Amount and authorized the Sponsor Bank to issue a request to block the Application Amount mentioned in the ASBA Form in their ASBA Account.
12. UPI Investors making an Application using the UPI Mechanism should mention valid UPI ID of only the Applicants (in case of single account) and of the first Applicant (in case of joint account) in the ASBA Form.
13. UPI Investors making an Application using the UPI Mechanism, who have revised their Application subsequent to making the initial Application, should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to the revised Application Amount in their account and in case of Allotment in a timely manner.
14. Ensure that the Application Forms are submitted at the Designated Branches of SCSBs or the Collection Centres provided in the Application Forms, bearing the stamp of the relevant Designated Intermediary/ Designated Branch of the SCSB.
15. Before submitting the Application Form with the Designated Intermediaries ensure that the SCSB, whose name has been filled in the Application Form, has named a branch in that relevant Collection Centre.
16. Ensure that you have been given an acknowledgement as proof of having accepted the Application Form.
17. Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
18. In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as ‘XYZ Hindu Undivided Family applying through PQR’, where PQR is the name of the Karta. However, the PAN number of the HUF should be mentioned in the Application Form and not that of the Karta.
19. Ensure that the Applications are submitted to the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be, before the closure of application hours on the Issue Closing Date. For further information on the Issue programme, please see “*General Information – Issue Programme*” on page 50.
20. **Permanent Account Number:** Each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected.
21. Ensure that if the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.
22. All Applicants should choose the relevant option in the column “Category of Investor” in the Application Form.
23. Choose and mark the option of NCDs in the Application Form that you wish to apply for.
24. In terms of SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for Applications.

Don’ts:

1. Do not apply for lower than the minimum Application size.
2. Do not pay the Application Amount in cash, by cheque, by money order or by postal order or by stock invest.
3. Do not send Application Forms by post. Instead submit the same to the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be.
4. Do not submit the Application Form to any non-SCSB bank or our Company.
5. Do not apply through an Application Form that does not have the stamp of the relevant Designated Intermediary or the Designated Branch of the SCSB, as the case may be.
6. Do not fill up the Application Form such that the NCDs applied for exceeds the Issue Size and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations.
7. Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.
8. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID (wherever applicable) or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue.
9. Do not submit the Application Form without ensuring that funds equivalent to the entire Application Amount are available for blocking in the relevant ASBA Account or in the case of UPI Investors making and Application using the UPI Mechanism, in the UPI-linked bank account where funds for making the Application are available.
10. Do not submit Applications on plain paper or on incomplete or illegible Application Forms.
11. Do not apply if you are not competent to contract under the Indian Contract Act, 1872.
12. Do not submit an Application in case you are not eligible to acquire NCDs under applicable law or your relevant constitutional documents or otherwise.
13. Do not submit Applications to a Designated Intermediary at a location other than Collection Centres.
14. Do not submit an Application that does not comply with the securities law of your respective jurisdiction.
15. Do not apply if you are a person ineligible to apply for NCDs under this Issue including Applications by Persons Resident Outside India, NRI (inter-alia including NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA).
16. Do not make an Application of the NCD on multiple copies taken of a single form.
17. Payment of Application Amount in any mode other than through blocking of Application Amount in the ASBA Accounts shall not be accepted in the Issue.
18. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Investors using the UPI Mechanism.
19. Do not submit more than five Application Forms per ASBA Account.

Please also see “*Issue Procedure – Operational Instructions and Guidelines - Applicant’s Responsibilities*” on page 304.

Kindly note that Applications submitted to the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for the Designated Intermediaries, to deposit such Application Forms (A list of such branches is available at https://www.sebi.gov.in).

Please see *“Issue Procedure – Rejection of Applications*” on page 318 for information on rejection of Applications.

TERMS OF PAYMENT

The Application Forms will be uploaded onto the electronic system of the Stock Exchange and deposited with the relevant branch of the SCSB at the Collection Centres, named by such SCSB to accept such Applications from the Designated Intermediaries, as the case may be (a list of such branches is available at https://www.sebi.gov.in).

For Applications other than those under the UPI Mechanism, the relevant branch of the SCSB shall perform verification procedures and block an amount in the ASBA Account equal to the Application Amount specified in the Application. For Applications under the UPI Mechanism, i.e., upto ₹5 lakhs, the Stock Exchange shall undertake validation of the PAN and Demat account combination details of the Applicant with the Depository. The Depository shall validate the PAN and Demat account details and send response to the Stock Exchange which would be shared by the Stock Exchange with the relevant Designated Intermediary through its platform, for corrections, if any. The blocking of funds in such case (not exceeding ₹5 lakhs) shall happen under the UPI Mechanism.

The entire Application Amount for the NCDs is payable on Application only. The relevant SCSB shall block an amount equivalent to the entire Application Amount in the ASBA Account at the time of upload of the Application Form. In case of Allotment of lesser number of NCDs than the number applied, the Registrar to the Issue shall instruct the SCSBs or the Sponsor Bank (as the case maybe) to unblock the excess amount in the ASBA Account.

For Applications submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application, before entering the Application into the electronic system of the Stock Exchange. SCSBs may provide the electronic mode of application either through an internet enabled application and banking facility or such other secured, electronically enabled mechanism for application and blocking of funds in the ASBA Account.

For Applications submitted under the UPI Mechanism, post the successful validation of the UPI Mandate Request by the Applicant, the information would be electronically received by the Applicants' bank, where the funds, equivalent to Application Amount, would get blocked in the Applicant's ASBA Account.

Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the Application. An Application where the corresponding ASBA Account does not have sufficient funds equal to the Application Amount at the time of blocking the ASBA Account is liable to be rejected.

A UPI Investor applying through the UPI Mechanism should ensure that, they check the relevant SMS generated for the UPI Mandate Request and all other steps required for successful blocking of funds in the UPI linked bank account, which includes accepting the UPI Mandate Request by 5:00 pm on the third Working Day from the day of bidding on the Stock Exchange (except on the last day of the Issue Period, where the UPI Mandate Request not having been accepted by 5:00 pm of the next Working Day), have been completed.

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of this Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is approved, and upon receipt of intimation from the Registrar, the controlling branch of the SCSB shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs or the Sponsor Bank (in case of Applications under the UPI Mechanism) on the basis of the instructions issued in this regard by the Registrar to the respective SCSB or the Sponsor Bank, within six Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of this Issue or until rejection of the Application, as the case may be.

SUBMISSION OF COMPLETED APPLICATION FORMS

Mode of Submission of Application Forms	To whom the Application Form has to be submitted
ASBA Applications	(i) If using physical Application Form, (a) to the Designated Intermediaries at relevant Collection Centres, or (b) to the Designated Branches of the SCSBs where the ASBA Account is maintained; or (ii) If using electronic Application Form, to the SCSBs, electronically through internet banking facility, if available.
Applications under the UPI Mechanism	(i) Through the Designated Intermediary, physically or electronically, as applicable; or (ii) Through BSE Direct.

No separate receipts will be issued for the Application Amount payable on submission of Application Form. However, the Designated Intermediaries will acknowledge the receipt of the Application Forms by stamping the date and returning to the Applicants an Acknowledgement Slips which will serve as a duplicate Application Form for the records of the Applicant.

Electronic Registration of Applications

(a) The Designated Intermediaries and Designated Branches of the SCSBs, as the case may be, will register the Applications (including those under the UPI Mechanism) using the on-line facilities of the Stock Exchange. **The Members of Syndicate, our Company and the Registrar to the Issue or the Lead Manager is not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the SCSBs, (ii) the Applications uploaded by the SCSBs, (iii) the Applications accepted but not uploaded by the SCSBs, (iv) with respect to Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts, (v) any Applications accepted and uploaded and/or not uploaded by the Trading Members of**

the Stock Exchange or (vi) any Application made under the UPI Mechanism, accepted or uploaded or failed to be uploaded by a Designated Intermediary or through the app/web based interface of the Stock Exchange and the corresponding failure for blocking of funds under the UPI Mechanism.

In case of apparent data entry error by the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be, in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange. However, the option, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Designated Intermediaries or Designated Branches of the SCSBs in the data entries as such data entries will be considered for Allotment/rejection of Application.

(b) The Stock Exchange will offer an electronic facility for registering Applications for this Issue. This facility will be available on the terminals of Designated Intermediaries and the SCSBs during the Issue Period. The Designated Intermediaries can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Applications on a regular basis, and before the expiry of the allocated time on the Issue Closing Date. On the Issue Closing Date, the Designated Intermediaries and the Designated Branches of the SCSBs shall upload the Applications till such time as may be permitted by the Stock Exchange. This information will be available with the Designated Intermediaries and the Designated Branches of the SCSBs on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation. For further information on the Issue programme, please see "*General Information – Issue Programme*" on page 50.

(c) With respect to Applications submitted directly to the SCSBs at the time of registering each Application, the Designated Branches of the SCSBs shall enter the requisite details of the Applicants in the on-line system including:

- Application Form number
- PAN (of the first Applicant, in case of more than one Applicant)
- Investor category and sub-category
- DP ID
- Client ID
- UPI ID (if applicable)
- Option of NCDs applied for
- Number of NCDs Applied for in each option of NCD
- Price per NCD
- Bank code for the SCSB where the ASBA Account is maintained
- Bank account number
- Location
- Application amount

(d) With respect to Applications submitted to the Designated Intermediaries, at the time of registering each Application, the requisite details of the Applicants shall be entered in the on-line system including:

- Application Form number
- PAN (of the first Applicant, in case of more than one Applicant)
- Investor category and sub-category
- DP ID
- Client ID
- UPI ID (if applicable)
- Option of NCDs applied for
- Number of NCDs Applied for in each option of NCD
- Price per NCD
- Bank code for the SCSB where the ASBA Account is maintained
- Bank account number
- Location
- Application amount

(e) A system generated acknowledgement (TRS) will be given to the Applicant as a proof of the registration of each Application. **It is the Applicant's responsibility to obtain the acknowledgement from the Designated**

Intermediaries and the Designated Branches of the SCSBs, as the case may be. The registration of the Application by the Designated Intermediaries and the Designated Branches of the SCSBs, as the case may be, does not guarantee that the NCDs shall be allocated/ Allotted by our Company. The acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.

(f) **Applications can be rejected on the technical grounds listed below or if all required information is not provided or the Application Form is incomplete in any respect.** The permission given by the Stock Exchange to use its network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Lead Manager are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Shelf Prospectus; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchange.

(g) **Only Applications that are uploaded on the online system of the Stock Exchange shall be considered for allocation/ Allotment**. The Designated Intermediaries and the Designated Branches of the SCSBs shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchange. In order that the data so captured is accurate the Designated Intermediaries and the Designated Branches of the SCSBs will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

REJECTION OF APPLICATIONS

Applications would be liable to be rejected on the technical grounds listed below or if all required information is not provided or the Application Form is incomplete in any respect. The Board of Directors and/or the Debenture Trustee thereof, reserves its full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

Application may be rejected on one or more technical grounds, including but not restricted to:

(a) Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);

(b) Applications accompanied by cash, draft, cheques, money order or any other mode of payment other than amounts blocked in the Applicants' ASBA Account maintained with an SCSB;

(c) Applications not being signed by the sole/joint Applicant(s);

(d) Investor Category in the Application Form not being ticked;

(e) Application Amount blocked being higher or lower than the value of NCDs Applied for. However, our Company may Allot NCDs up to the number of NCDs Applied for, if the value of such NCDs Applied for exceeds the minimum Application size;

(f) Applications where a registered address in India is not provided for the non-Individual Applicants;

(g) In case of partnership firms (except LLPs), NCDs applied for in the name of the partnership and not the names of the individual partner(s);

(h) Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant;

(i) PAN not mentioned in the Application Form., In case of minor Applicants applying through guardian, when PAN of the Applicant is not mentioned;

(j) DP ID, Client ID or UPI ID (wherever applicable) not mentioned in the Application Form;

(k) GIR number furnished instead of PAN;

(l) Applications by OCBs;

(m) Applications for an amount below the minimum Application size;

(n) Submission of more than five ASBA Forms per ASBA Account;

(o) Applications by persons who are not eligible to acquire NCDs of our Company in terms of applicable laws, rules, regulations, guidelines and approvals;

(p) Applications under power of attorney or by limited companies, corporate, trust etc. submitted without relevant documents;

(q) Applications accompanied by stockinvest/ cheque/ money order/ postal order/ cash;

(r) Signature of sole Applicant missing, or in case of joint Applicants, the Application Forms not being signed by the first Applicant (as per the order appearing in the records of the Depository);

(s) Applications by persons debarred from accessing capital markets, by SEBI or any other appropriate regulatory authority;

(t) Application Forms not being signed by the ASBA Account holder, if the account holder is different from the Applicant;

(u) Signature of the ASBA Account holder on the Application Form does not match with the signature available on the SCSB bank's records where the ASBA Account mentioned in the Application Form is maintained;

(v) Application Forms submitted to the Designated Intermediaries or to the Designated Branches of the SCSBs does not bear the stamp of the SCSB and/or the Designated Intermediary, as the case may be;

(w) ASBA Applications not having details of the ASBA Account or the UPI-linked Account to be blocked;

(x) In case no corresponding record is available with the Depositories that matches the parameters namely, DP ID, Client ID, UPI ID and PAN;

(y) Inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;

(z) SCSB making an Application (a) through an ASBA account maintained with its own self or (b) through an ASBA Account maintained through a different SCSB not in its own name or (c) through an ASBA Account maintained through a different SCSB in its own name, where clear demarcated funds are not present or (d) through an ASBA Account maintained through a different SCSB in its own name which ASBA Account is not utilised solely for the purpose of applying in public issues;

(aa) Applications for amounts greater than the maximum permissible amount prescribed by the regulations and applicable law;

(bb) Authorization to the SCSB for blocking funds in the ASBA Account not provided;

(cc) Applications by any person outside India;

(dd) Applications not uploaded on the online platform of the Stock Exchange;

(ee) Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchange, as applicable;

(ff) Application Forms not delivered by the Applicant within the time prescribed as per the Application Form, the Draft Shelf Prospectus, this Shelf Prospectus and relevant Tranche Prospectus and as per the instructions in the Application Form and the Draft Shelf Prospectus, this Shelf Prospectus and relevant Tranche Prospectus;

(gg) Applications by Applicants whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;

(hh) Applications providing an inoperative demat account number;

(ii) Applications submitted to the Designated Intermediaries other than the Collection Centres or at a Branch of a SCSB which is not a Designated Branch;

(jj) Applications submitted directly to the Public Issue Bank (except in case the ASBA Account is maintained with the said bank as a SCSB);

(kk) Investor category not ticked;

(ll) In case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application

(mm) A UPI Investor applying through the UPI Mechanism, not having accepted the UPI Mandate Request by 5:00 pm on the third Working Day from the day of bidding on the stock exchange except on the last day of the Issue Period, where the UPI Mandate Request not having been accepted by 5:00 pm of the next Working Day; and

(nn) A non-UPI Investor making an Application under the UPI Mechanism, i.e., an Application for an amount more than ₹5 lakhs.

For information on certain procedures to be carried out by the Registrar to the Issue for finalization of the Basis of Allotment, please see "*Information for Applicants*" below.

Information for Applicants

Upon the closure of the Issue, the Registrar to the Issue will reconcile the compiled data received from the Stock Exchange and all SCSBs and match the same with the Depository database for correctness of DP ID, Client ID, UPI ID (where applicable) and PAN. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database and prepare list of technical rejection cases. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Manager and the Registrar to the Issue, reserves the right to proceed as per the Depository records for such Applications or treat such Applications as rejected.

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship).

In case of Applications for a higher number of NCDs than specified for that category of Applicant, only the maximum amount permissible for such category of Applicant will be considered for Allotment.

BASIS OF ALLOTMENT

Basis of Allotment for NCDs

As specified in the relevant Tranche Prospectus for each Tranche Issue.

Allocation Ratio

As specified in the relevant Tranche Prospectus for each Tranche Issue.

Retention of oversubscription

As specified in the relevant Tranche Prospectus for each Tranche Issue.

Unblocking of Funds for withdrawn, rejected or unsuccessful or partially successful Applications

As specified in the relevant Tranche Prospectus for each Tranche Issue.

ISSUANCE OF ALLOTMENT ADVICE

Our Company shall ensure dispatch of Allotment Advice and/ or give instructions for credit of NCDs to the beneficiary account with Depository Participants upon approval of Basis of Allotment. The Allotment Advice for successful Applicants will be mailed by speed post/registered post to their addresses as per the Demographic Details received from the Depositories.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for commencement of trading at the Stock Exchange where the NCDs are proposed to be listed are taken within 6 (six) Working Days from the Issue Closing Date.

Allotment Advices shall be issued or Application Amount shall be unblocked within 6 (six) Working Days from the Issue Closing Date or such lesser time as may be specified by SEBI or else the Application Amount shall be unblocked in the ASBA Accounts or the UPI linked bank accounts (for Applications under the UPI Mechanism) of the Applicants forthwith.

Our Company will provide adequate funds required for dispatch of Allotment Advice to the Registrar to the Issue.

OTHER INFORMATION

Withdrawal of Applications during the Issue Period

Applicants can withdraw their Applications until the Issue Closing Date. In case an Applicant wishes to withdraw the Application during the Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite.

In case of Applications (other than under the UPI Mechanism) were submitted to the Designated Intermediaries, upon receipt of the request for withdrawal from the Applicant, the relevant Designated Intermediary, as the case may be, shall do the requisite, including deletion of details of the withdrawn Application Form from the electronic system of the Stock Exchange and intimating the Designated Branch of the SCSB to unblock of the funds blocked in the ASBA Account at the time of making the Application. In case of Applications (other than under the UPI Mechanism) submitted directly to the Designated Branch of the SCSB, upon receipt of the request for withdraw from the Applicant, the relevant Designated Branch shall do the requisite, including deletion of details of the withdrawn Application Form from the electronic system of the Stock Exchange and unblocking of the funds in the ASBA Account, directly.

Withdrawal of Applications after the Issue Period

In case an Applicant wishes to withdraw the Application after the Issue Closing Date or early closure date, the same can be done by submitting a withdrawal request to the Registrar to the Issue prior to the finalization of the Basis of Allotment.

Revision of Applications

As per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE, cancellation of one or more orders (series) within an Application is permitted during the Issue Period as long as the total order quantity does not fall under the minimum quantity required for a single Application. Please note that in case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application will be liable for rejection by the Registrar.

Applicants may revise/ modify their Application details during the Issue Period, as allowed/permitted by the Stock Exchange, by submitting a written request to the Designated Intermediary and the Designated Branch of the SCSBs, as the case may be. For Applications made under the UPI Mechanism, an Applicant shall not be allowed to add or modify the details of the Application except for modification of either DP ID/Client ID, or PAN ID but not both. However, the Applicant may withdraw the Application and reapply.

However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/ modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchange as per the procedures and requirements prescribed by the Stock Exchange, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on the Issue Closing Date. However, in order that the data so captured is accurate, the Designated Intermediaries and/ or the Designated Branches of the SCSBs will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period, after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL. Please also see, "*Issue Procedure – Operational Instructions and Guidelines - Modification and cancellation of orders*" on page 304.

Depository Arrangements

We have made depository arrangements with NSDL and CDSL. Please note that Tripartite Agreements have been executed between our Company, the Registrar and both the depositories.

As per the provisions of the Depositories Act, 1996, the NCDs issued by us can be held in a dematerialised form. In this context:

(i) Tripartite agreement dated January 30, 2014 among our Company, the Registrar and CDSL and tripartite agreement dated February 5, 2014 among our Company, the Registrar and NSDL, respectively for offering depository option to the investors.

(ii) An Applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application.

(iii) The Applicant must necessarily provide the DP ID and Client ID details in the Application Form.

(iv) NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.

(v) Non-transferable Allotment Advice will be directly sent to the Applicant by the Registrar to this Issue.

(vi) It may be noted that NCDs in electronic form can be traded only on the Stock Exchange having electronic connectivity with NSDL or CDSL. The Stock Exchange has connectivity with NSDL and CDSL.

(vii) Interest or other benefits with respect to the NCDs held in dematerialised form would be paid to those Debenture Holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.

Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable premium and interest for such NCDs) prior to redemption of the NCDs.

PLEASE NOTE THAT TRADING OF NCDs ON THE FLOOR OF THE STOCK EXCHANGE SHALL BE IN DEMATERIALISED FORM ONLY IN MULTIPLE OF ONE NCD.

Allottees will have the option to re-materialize the NCDs Allotted under the Issue as per the provisions of the Companies Act, 2013 and the Depositories Act.

Communications

All future communications in connection with Applications made in this Issue (except the Applications made through the Trading Members of the Stock Exchange) should be addressed to the Registrar to the Issue, quoting the full name of the sole or first Applicant, Application Form number, Applicant's DP ID and Client ID, Applicant's PAN, number of NCDs applied for, ASBA Account number in which the amount equivalent to the Application Amount was blocked or the UPI ID (for UPI Investors who make the payment of Application Amount through the UPI Mechanism), date of the Application Form, name and address of the Designated Intermediary or Designated Branch of the SCSBs, as the case may be, where the Application was submitted.

Applicants may contact our Compliance Officer and Company Secretary or the Registrar to the Issue in case of any pre-

Issue or post-Issue related problems such as non-receipt of Allotment Advice or credit of NCDs in the respective beneficiary accounts, as the case may be.

Interest in case of delay

Our Company undertakes to pay interest, in connection with any delay in Allotment and demat credit, beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

Undertaking by the Issuer

"Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by any regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of '*Risk factors*' on page 19 under the section 'General Risks'."

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Offer Document contains all information with regard to the issuer and the issue, that the information contained in the offer document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.
The issuer has no side letter with any debt securities holder except the one(s) disclosed in the offer document/offer document. Any covenants later added shall be disclosed on the stock exchange website where the debt is listed."

Our Company undertakes that:

(a) All monies received pursuant to this Issue shall be transferred to a separate bank account as referred to in sub-section (3) of section 40 of the Companies Act, 2013;

(b) Details of all monies utilised out of this Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies had been utilised;

(c) Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our balance sheet indicating the form in which such unutilised monies have been invested;

(d) Details of all utilized and unutilised monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized, and the securities or other forms of financial assets in which such unutilized monies have been invested;

(e) Undertaking by our Company for execution of the Debenture Trust Deed;

(f) We shall utilize the Issue proceeds only upon execution of the Debenture Trust Deed as stated in the Draft Shelf Prospectus, this Shelf Prospectus and relevant Tranche Prospectus, on receipt of the minimum subscription of 75% of the Base Issue and receipt of listing and trading approval from the Stock Exchange;

(g) The Issue proceeds shall be utilised in compliance with various guidelines, regulations and clarifications issued by RBI, SEBI or any other statutory authority from time to time. Further the Issue proceeds shall be utilised only for the purpose and objects stated in the Offer Documents;

(h) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property business, dealing in equity of listed companies or lending/investment in group companies;

    The allotment letter shall be issued or application money shall be unblocked within 6 (six) Working Days from the closure of this Issue or such lesser time as may be specified by SEBI, or else the Application money shall be refunded to the Applicants forthwith;

(i) Details of all monies unutilised out of the previous issues made by way of public offer, if any, shall be disclosed and continued to be disclosed under an appropriate separate head in our balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the securities or other forms of financial assets in which such unutilized monies have been invested;

(j) we shall create a recovery expense fund in the manner as maybe specified by the Board from time to time and inform the Debenture Trustee about the same; and

(k) we undertake that the assets on which charge is created to meet the hundred percent security cover, are free from any encumbrances and in cases where the assets are already charged to secure a debt, the permission or consent to create a second or pari-passu charge on the assets of the issuer has been obtained from the earlier creditor.

Other Undertakings by our Company

Our Company undertakes that:

(a) Complaints received in respect of the Issue (except for complaints in relation to Applications submitted to Trading Members) will be attended to by our Company expeditiously and satisfactorily;

(b) Necessary cooperation to the relevant credit rating agency(ies) will be extended in providing true and adequate information until the obligations in respect of the NCDs are outstanding;

(c) Our Company will take necessary steps for the purpose of getting the NCDs listed within the specified time, i.e., within six Working Days of the Issue Closing Date;

(d) Funds required for dispatch of Allotment Advice/NCD Certificates (only upon rematerialisation of NCDs at the specific request of the Allottee/ Holder of NCDs) will be made available by our Company to the Registrar to the Issue;

(e) Our Company will forward details of utilisation of the proceeds of this Issue, duly certified by the Joint Statutory Auditors, to the Debenture Trustee on a half-yearly basis;

(f) Our Company will provide a compliance certificate to the Debenture Trustee on an annual basis in respect of compliance with the terms and conditions of the Issue as contained in the relevant Tranche Prospectus;

(g) Our Company will disclose the complete name and address of the Debenture Trustee in its annual report and website;

(h) Our Company shall make necessary disclosures/ reporting under any other legal or regulatory requirement as may be required by our Company from time to time; and

(i) The allotment of NCDs will be done on a first come, first serve basis. On the successful allotment of the NCDs, the issue proceeds will be released to the issuer to use in pursuance of the objects specified in the relevant Tranche Prospectus; and

(j) We undertake that the assets on which charge is created, are free from any encumbrances and in cases where the assets are already charged to secure a debt, the permission or consent to create a second or pari-passu charge on the assets of the issuer has been obtained from the earlier creditor.

SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

The main provisions of the Articles of Association relating to the issue and allotment of debentures and matters incidental thereto have been summarised below. Please note that each provision herein below is numbered according to the corresponding article number in the Articles of Association. Any reference to the term "Article" hereunder means the corresponding article contained in the Articles of Association.

Article 43 – Borrowing Powers

The Board may, from time to time, and at its discretion, subject to the provisions of the Act and these Articles, accept deposits from Shareholders either in advance of calls or otherwise and generally raise or borrow moneys, either from the Directors, their friends and relatives or from others for the purposes of the Company and/or secure the payment of any such sum or sums of money, provided however, where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in ordinary course of business) and remaining outstanding and undischarged at that time exceed the aggregate of the paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board shall not borrow such money without the consent of the Company in a General Meeting by a special resolution. The Board may raise and secure the payment of such sum or sums in such manner and upon such terms and conditions as it thinks fit, and in particular by receiving deposits, issue of bonds, debentures, redeemable, debenture stock, or any security of the Company or by mortgage or charge or other security upon all or any part of the property or undertaking of the Company (both present and future), including its uncalled capital for the time being; provided that the Board shall not give any option or right to any person for making calls on the Shareholders in respect of the amount unpaid for the time being on the Shares held by them, without the previous sanction of the Company in a General Meeting.

Article 70

The Board of Directors shall appoint the person nominated by the Debenture Trustee(s) in terms of clause (e) of Regulation 15(1) of the SEBI (Debenture Trustees) Regulations, 1993 as a Director on the Board. Such appointment of a Director shall be subject to the provisions of Debenture Trust Deed, Companies Act, 2013, Reserve Bank of India ('RBI') Regulations, SEBI Regulations and all other applicable provisions of law. Such nominee director shall not be liable to retire by rotation.

<u>Proceedings of the Board</u>
Article 71

(i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
(ii) The participation of directors in a meeting of the Board may be either in person or through video conferencing or other audio-visual means which are capable of recording and recognising the participation of the directors and of recording and storing the proceedings of such meetings along with date and time.
(iii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

Article 72

(i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

Article 73

The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.

Article 74

(i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their members to be Chairperson

of the meeting.

Article 75

(i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

Article 76

(i) A committee may elect chairperson of its meetings.
(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

Article 77

(i) A committee may meet and adjourn as it thinks fit.
(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

Article 78

All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

Article 79

Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting 32 of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

Article 93 - Accounts

(i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.
(ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorized by the Board or by the company in general meeting.

Article 95 – Reconstruction

On any sale of the undertaking of the company, the board or the liquidator on a winding-up may, if authrorised by a special resolution may accept fully paid-up shares, debentures or securities of any other company, whether incorporated in India or not, either then existing or to be formed for the purchase in whole or in part of the property of the company, and the board (if the profits of the company permit) or the liquidators (in a winding-up) may distribute such shares or securities or any other property of the company amongst the members without realisation, or vest the same in trustees for them, and any special resolution may provide for the distribution or appropriation of the cash, shares or other securities, benefit or property otherwise than in accordance with the strict legal rights of the members or contributors of the company and for the valuation of any such securities or property at such price and in such manner as the meeting may approve and all holders of shares shall be bound to accept the same and shall be bound by any valuation of distribution so authorised, and waive all rights in relation, thereto.

Article 97 – Others Secrecy

Every Director, manager, Auditor, trustee, shareholder, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Board, before entering upon its duties, sign a declaration pledging to observe strict secrecy in relation to all confidential information of the Company and its customers and shall by such declaration pledge not to reveal any of the matters which may come to its knowledge in the discharge of its duties, except as required by the Board, or by any General Meeting, or by a court of law, or so far as may be necessary in order to comply with any of the provisions of these Articles or the provisions of the Act.

SECTION IX: MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts which are or may be deemed material have been entered or are to be entered into by the Company. These contracts and also the documents for inspection referred to hereunder, may be inspected on Working Days at the Registered Office of the Company situated at Muthoot Centre, TC No 27/3022, Punnen Road, Trivandrum 695 001, India, from 10.00 a.m. to 4.00 p.m., from the date of this Shelf Prospectus.

I. Material Contracts

1. Issue Agreement dated August 8, 2024 between the Company and the Lead Manager.
2. Registrar Agreement dated July 1, 2024, between the Company and the Registrar to the Issue.
3. Debenture Trustee Agreement dated July 1, 2024, between the Company and the Debenture Trustee for the NCD Holders.
4. Tripartite Agreement dated May 3, 2011, between CDSL, the Company and the Registrar to the Issue.
5. Tripartite Agreement dated October 6, 2009, between NSDL, the Company and the Registrar to the Issue.
6. Agreed form of Debenture Trust Deed to be executed between our Company and the Debenture Trustee.

II. Material Documents

1. Certificate of incorporation of the Company dated June 10, 1997, issued by the RoC.
2. Certificate of incorporation dated March 19, 2002, issued by the RoC.
3. Certificate of commencement of business dated June 10, 1997.
4. Memorandum and Articles of Association of the Company.
5. The certificate of registration No. N-16.00170 dated July 23, 2002 issued by the RBI under Section 45 IA of the RBI Act.
6. Credit rating letter dated June 29, 2024 issued by CRISIL Ratings Limited assigning a rating of “CRISIL AA-/Stable” for an amount of ₹ 1,90,000 lakhs of NCDs.
7. Credit rating letter dated June 29, 2024 issued by CRISIL Ratings Limited assigning a rating of “CRISIL AA-/Stable” for an amount of ₹ 1,10,000 lakhs of NCDs (of which, ₹ 10,900 lakhs is unutilized) along with rating rationale dated June 28, 2024.
8. Board resolution dated May 20, 2024 approving the Issue and related matters including authorised signatories.
9. Shareholders’ resolution dated September 28, 2022 pursuant to Section 180 of the Companies Act, 2013.
10. Copy of the resolution of the Stock Allotment Committee dated July 1, 2024, approving the Issue.
11. Copy of the resolution of the Stock Allotment Committee dated August 8, 2024, approving the Draft Shelf Prospectus.
12. Copy of the resolution of the Stock Allotment Committee dated August 23, 2024, approving the Shelf Prospectus.
13. Consents of each of the Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Joint Statutory Auditors, Lead Manager, Legal Advisors to the Issue, Credit Rating Agency, the Debenture Trustee, Registrar to the Issue, experts and the Credit Rating Agency to act in their respective capacities and consents from the relevant lenders and debenture trustee.
14. The Issuer has received the written consent dated August 23, 2024, from Joint Statutory Auditors of our Company, namely Krishnan Retna & Associates and Rangamani and Co., to include their name as required under section 26

(1) of the Companies Act, 2013 read with SEBI NCS Regulations, in this Shelf Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Joint Statutory Auditors, and in respect of the (a) Audited Standalone Financial Statement for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022 and Audited Consolidated Financial Statement for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022; (b) limited review report dated August 13, 2024 for the Unaudited Standalone Financial Results of the Company for the quarter ended June 30, 2024; and (c) the statement of possible tax benefits dated August 23, 2024, which appear in this Shelf Prospectus, and such consent has not been withdrawn as on the date of this Shelf Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act, 1993.

15. Industry report titled "*Gold Loans"* released in July 2024.

16. Consent of CRISIL Ratings Limited dated July 22, 2024 with respect to the industry report titled '*Gold Loans"* released in July 2024.

17. Annual Reports of the Company for the three Fiscals.

18. Statement of possible tax benefits dated August 23, 2024, issued by the Statutory Auditors.

19. In-principle listing approval from BSE, through letter no. DCS/BM/PI-BOND/16/24-25 dated August 21, 2024.

20. Due Diligence Certificate dated August 23, 2024, filed by the Lead Manager with SEBI.

21. Due Diligence Certificate dated August 8, 2024, through letter no. 713/OPR/VTPL/2024-25 from the Debenture Trustee to the Issue.

DECLARATION

We, the Directors of the Company, hereby certify and declare that all relevant provisions of the Companies Act, 2013 as amended, and the rules prescribed thereunder, to the extent applicable, and the guidelines issued by the Government of India and/or the regulations/guidelines/circulars issued by the Reserve Bank of India and the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as applicable, including the Securities Contracts (Regulation) Rules, 1957, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, have been complied with and no statement made in this Shelf Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be. We confirm that the compliance with the Securities and Exchange Board of India Act, 1992 or rules made there under does not imply that payment of dividend or interest or repayment of debt securities, is guaranteed by the Central Government.

We further certify that all the disclosures and statements in this Shelf Prospectus are true, accurate and correct in all material respects are in conformity with Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Shelf Prospectus does not contain any misstatements. Furthermore, all the monies received under the offer shall be used only for the purposes and objects indicated in this Shelf Prospectus. No information material to the subject matter of this form has been suppressed or concealed and whatever is stated in this Shelf Prospectus thereto is true, correct and complete and is as per the original records maintained by the Promoter(s) subscribing to the Memorandum of Association and Articles of Association.

Signed by the Board of Directors of the Company

Mr. Thomas John Muthoot, Managing Director
DIN: 00011618

Mr. Thomas George Muthoot, Director
DIN: 00011552

Mr. Thomas Muthoot, Executive Director and Chief Financial Officer
DIN: 00082099

Mr. Anthony Abraham Thomas, Independent Director
DIN: 07749806

Ms. Preethi John Muthoot, Director
DIN: 00483799

Mr. Arrattukkulam Peter Kurian, Independent Director
DIN: 00008022

Mr. Vikraman Ampalakkat, Independent Director
DIN: 01978341

Mr. Badal Chandra Das, Independent Director
DIN: 09758076

Mr. Ravi Ramchandran, Independent Director
DIN: 10048011

Date: August 23, 2024

Place: Trivandrum

ANNEXURE A – CREDIT RATING LETTERS, RATING RATIONALE AND PRESS RELEASE

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CRISIL
Ratings

CONFIDENTIAL

RL/MUFILT/347399/NCD/0624/92192/168550576
June 29, 2024

Mr. Thomas John Muthoot
Managing Director
Muthoot Fincorp Limited
Muthoot Centre,
Punnen Road,
Thiruvananthapuram - 695034
9773378717

Dear Mr. Thomas John Muthoot,

Re: Review of CRISIL Rating on the Rs.1900 Crore Non Convertible Debentures* of Muthoot Fincorp Limited

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.

CRISIL Ratings has, after due consideration, reaffirmed its CRISIL AA-/Stable (pronounced as CRISIL double A minus rating with Stable outlook) rating on the captioned debt instrument. Securities with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such securities carry very low credit risk.

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at debtissue@crisil.com for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Prashant Pratap Mane
Associate Director - CRISIL Ratings

Nivedita Shibu
Director - CRISIL Ratings

** Unutilised*

CRISIL Ratings

CONFIDENTIAL

RL/MUFILT/347399/NCD/0624/92202/104421423
June 29, 2024

Mr. Thomas John Muthoot
Managing Director
Muthoot Fincorp Limited
Muthoot Centre,
Punnen Road,
Thiruvananthapuram - 695034
9773378717

Dear Mr. Thomas John Muthoot,

Re: Review of CRISIL Rating on the Non Convertible Debentures Aggregating Rs.1100 Crore[2] of Muthoot Fincorp Limited

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.

CRISIL Ratings has, after due consideration, reaffirmed its CRISIL AA-/Stable (pronounced as CRISIL double A minus rating with Stable outlook) rating on the captioned debt instrument. Securities with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such securities carry very low credit risk.

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at debtissue@crisil.com for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

P. P. Mane

Prashant Pratap Mane
Associate Director - CRISIL Ratings

Nivedita

Nivedita Shibu
Director - CRISIL Ratings

CRISIL

2. Rs 109 Crore unutilised

CRISIL
Ratings

Rating Rationale

June 28, 2024 | Mumbai

Muthoot Fincorp Limited

Ratings reaffirmed at 'CRISIL AA-/CRISIL A/Stable/CRISIL A1+'; rated amount enhanced for Bank Debt

Rating Action

Total Bank Loan Facilities Rated	**Rs.18200 Crore (Enhanced from Rs.16700 Crore)**
Long Term Rating	**CRISIL AA-/Stable (Reaffirmed)**

Rs.150 Crore Subordinated Debt	**CRISIL AA-/Stable (Reaffirmed)**
Rs.200 Crore Non Convertible Debentures&*	**CRISIL AA-/Stable (Reaffirmed)**
Rs.1900 Crore Non Convertible Debentures*	**CRISIL AA-/Stable (Reaffirmed)**
Non Convertible Debentures Aggregating Rs.400 Crore&1	**CRISIL AA-/Stable (Reaffirmed)**
Non Convertible Debentures Aggregating Rs.1100 Crore2	**CRISIL AA-/Stable (Reaffirmed)**
Rs.500 Crore Commercial Paper	**CRISIL A1+ (Reaffirmed)**
Non Convertible Debentures Aggregating Rs.2068.51 Crore3	**CRISIL AA-/Stable (Reaffirmed)**
Rs.100 Crore Perpetual Bonds	**CRISIL A/Stable (Reaffirmed)**
Rs.75 Crore Perpetual Bonds	**CRISIL A/Stable (Reaffirmed)**
Rs.95 Crore Perpetual Bonds	**CRISIL A/Stable (Reaffirmed)**
Rs.25 Crore Perpetual Bonds	**CRISIL A/Stable (Reaffirmed)**
Perpetual Bonds Aggregating Rs.404 Crore	**CRISIL A/Stable (Reaffirmed)**
Subordinated Debt Aggregating Rs.450 Crore	**CRISIL AA-/Stable (Reaffirmed)**
Rs.100 Crore Subordinated Debt	**CRISIL AA-/Stable (Reaffirmed)**

& Private placement
** Unutilised*
1 Rs 100 Crore unutilised
2 Rs 109 Crore unutilised
3 Rs 52.16 Crore unutilised
Note: None of the Directors on CRISIL Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.
1 crore = 10 million
Refer to annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL Ratings has reaffirmed its ratings on the other debt instruments and bank facilities at 'CRISIL AA-/CRISIL A/Stable/CRISIL A1+' of Muthoot Fincorp Limited (MFL; flagship company of the Muthoot Pappachan group [MPG]).

The ratings reflect the healthy performance and strong market position of MFL in the core gold loan portfolio, as indicated by steady growth in its assets under management (AUM); and sound asset quality. The ratings are further supported by promoters' extensive experience in the loan-against-gold jewellery business, established market position in the gold Financing business, and diversified product profile of MPG. These strengths are partially offset by geographical concentration in portfolio and potential challenges associated with the non-gold loan segments.

Gold loan portfolio accounted for around 52% of the group's overall AUM as on March 31, 2024, and stood at Rs 20,484 crore (including co-lending of Rs 982 crore). Out of the remaining 48% non-gold portfolio, microfinance business accounted for majority i.e. 31% and Rs 12,194 crore AUM as on March 31, 2024, while the AUM of vehicle and housing finance stood at 5% each and Rs 2,018 crore and Rs 2,070 crore, respectively.

As far as gold loan portfolio is concerned, CRISIL Ratings has taken note of the recent news concerning disbursal of loans in cash by non-banking financial companies (NBFCs) engaged in the gold loan business. An advisory has been sent to a few NBFCs primarily engaged in the gold loan business. The NBFCs have been asked to adhere to the provisions of the Income Tax Act, which essentially stipulate that no individual should receive more than Rs 20,000 in cash. CRISIL Ratings understands that NBFCs are now in the process of moving to online disbursements, and as part of this shift, are revalidating bank account information of existing customers. Bank account details of new customers will also need to be verified. This may increase the turnaround time for loan disbursement. Also, the industry may see customers shift to the unorganised sector as borrowers in this segment are typically habituated to cash transactions. During the transition period and as customers adjust to the new normal, incremental disbursements may be affected. CRISIL Ratings, therefore, will continue to monitor the impact of these revised guidelines on the growth in gold loan portfolio of MPG group.

Capital position was supported by recent capital infusion in the microfinance subsidiary during December 2023 through an IPO with fresh equity of Rs 760 crore and Rs 200 crore through offer for sale. Consequently, consolidated networth increased to Rs 6,570 crore in fiscal 2024 from Rs 4,904 crore (adjusted for real estate and cash) in fiscal 2023. Moreover, consolidated gearing stood at ~5 times as on March 31, 2024, from 5.7 times (adjusted for real estate and cash) as on March 31, 2023.

Analytical Approach

For arriving at the ratings, CRISIL Ratings has combined the business and financial risk profiles of MFL (engaged in financing against gold jewellery, and financing micro and small and medium enterprises [MSMEs]), Muthoot Microfin Ltd (MML; microfinance), Muthoot Capital Services Ltd (MCSL; two-wheeler finance and MSME loans), and Muthoot Housing Finance Company Ltd (MHFCL; housing finance). This is because all these companies, collectively referred to as MPG, have significant financial, managerial and operational linkages. MML and MHFCL are subsidiaries of MFL while the promoters hold a 62.5% stake in MCSL.

Please refer Annexure - List of entities consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

Key Rating Drivers & Detailed Description

Strengths:

- **Established market position in gold financing, supported by the extensive experience of the promoters**
  MFL has an established market position in gold financing. The promoters have spent over seven decades in lending against gold jewellery. Over the years, the group has established a strong reputation and brand in South India and has an appropriate assessment and underwriting methodology. Gold loan business registered a steady 2.3% compound annual growth rate over fiscals 2021-2024, despite increase in competition from banks. The company's gold loan AUM stood at Rs 20,484 crore as of March 2024 in comparison to Rs 17,942 crore in the fiscal 2023. The total gold holding stood at around 48.2 tonnes as on March 31, 2024 (48.09 tonnes as on March 31, 2023). As far as disbursements are concerned, company maintained average monthly disbursement rate of close to Rs 3931 crore during fiscal 2024 (as against Rs 3339 crore during fiscal 2023). The AUM per branch accordingly has improved to around Rs 6.2 crore as on March 31, 2024, against ~Rs 4.4 crore in fiscal 2020.

- **Diversified product profile of the MPG**
  The MPG has diversified its product profile over the past few years. Currently, the group operates in five major segments: loan against gold jewellery, two-wheeler finance, microfinance, housing finance and small business loans. Overall managed AUM of the group was around Rs 39,170 crore as on March 31, 2024 (Rs 31,587 crore as on March 31, 2023). The proportion of gold loans remained high at 52% in March 2024. The microfinance portfolio is the second-largest with around 31% of the group's overall portfolio as on March 31, 2024. CRISIL Ratings believes that the gold loans will continue to hold the largest share in the consolidated AUM over the medium term.

- **Improvement in capitalisation with the recent infusion**
  Networth at standalone level stood at Rs 4,423 crore (including CCCPS) as on March 31, 2024, against Rs 4,050 crore as on March 31, 2023. Capitalisation is further supported by low asset-side risks (security of gold jewellery, which is liquid and in the lender's possession). On a consolidated level, networth stood at Rs 6,570 crore (including CCCPS) as on March 31, 2024, against Rs 4,904 crore (adjusted for real estate and cash) as on March 31, 2023, which was bolstered by recent capital infusion in the microfinance subsidiary during December 2023 through an IPO with fresh equity of Rs 760 crore and Rs 200 crore through offer for sale. Moreover, gearing at the standalone level stood at 4.5 times in fiscal 2024 as compared to 4.5 times in fiscal 2023 and at consolidated level improved to ~5 times in fiscal 2024 as compared to 5.8 (adjusted for real estate and cash) times in fiscal 2023. The management is expected to maintain gearing at the current level over the medium term. Any material increase in gearing beyond current thresholds will be a key rating sensitivity factor.

- **Healthy asset quality in the gold loan segment to support overall group asset quality**
  Gross non-performing assets (GNPAs) for MFL stood at 1.6% as of March 2024 against 2.1% in March 2023. Furthermore, there is negligible impact of the Reserve Bank of India (RBI) clarification released in November 2021 on the NPAs as gold loans are demand loans where the interest and principal are due for payment at the end of the tenure. Nevertheless, during the last 6-8 quarters, the company steadily commenced lending to the MSME, retail outlets and has also been offering LAP loans to salaried customers (against collateral of property). This portfolio stood at Rs 2,094 crore as of March 31, 2024, and the company is planning to steadily expand the same. MFL is doing regular auctions of gold loans, which would help in reducing GNPA below 2% in gold loans. In the gold loan segment, the company has maintained healthy asset quality over the years, backed by strong collection efficiency. Asset quality, as measured by credit costs, has also been under control (within 0.5%) during this period for gold loans. In fiscal 2024, credit cost stood at 0.1%. After the second wave of Covid, the company has been doing regular auctions since June 2021. Furthermore, company is focusing on short-tenure (less than 12 months) gold loan product which should help MFL to de-risk the portfolio from any sharp movements in gold prices in the near term.

- **Improving earnings profile**
  Profitability, both at consolidated and standalone level, has seen substantial improvement during last 1-2 years. On a standalone basis, RoMA improved to 2.1% during fiscal 2024 (one of its highest since last 4-5 years) as against 1.9% during fiscal 2023. If we adjust for cash and cash equivalents, profitability improves to 2.5% in fiscal 2024. The company has

maintained its focus on regular interest collections in its gold loan portfolio in order avoid for any higher delinquencies and reduce loss, if any, post auctions. On a consolidated level, the earnings profile benefitted from improvement in its key businesses i.e. microfinance and vehicle finance. RoMA, at group level, improved to 2.8% in fiscal 2024 from 2.0% in fiscal 2023. The profitability in the microfinance portfolio, in particular, has improved substantially owing to steady growth and limited asset quality challenges faced during last 4-6 quarters. The RoMA within microfinance stood at 3.6% during fiscal 2024 as against 1.8% during fiscal 2023. As far as vehicle finance segment is concerned (which is housed in MCSL), it had been carrying a huge provision buffer of Rs 393 crore (18.7% of the on-book portfolio as of March 2023). Of this Rs 139 crore was written back during the first half of fiscal 2024. As a result, the company's profitability improved owing to this one-time impact; RoMA for MCSL stood at 5.1% during fiscal 2024 as against 3.5% during fiscal 2023. Nevertheless, given decent portion of group is towards unsecured segment, its ability to maintain on credit costs and thereby keep improving on its earnings profile will remain key monitorable.

Weaknesses:

- **Geographical concentration in portfolio**
  High geographical concentration persists, with South India accounted for around 57% of the gold loan portfolio as on March 31, 2024, though it improved from 70% as on March 31, 2019. This was achieved by increase in per branch business from branches other than those in southern India; opening of new branches in North, East and South; and closure or merger of non-viable branches in South India. While concentration has been declining, it is higher than that of peers. Presently, since demand for gold loans has been high in the region, the proportion of AUM from the South may not decline further in subsequent fiscals.

- **Potential challenges associated with the non-gold loan segments**
  The non-gold segments accounted for 48% of the overall portfolio as on March 31, 2024. While MPG has managed to grow these businesses and increase the segmental share over the last 2-3 years, potential challenges linked to seasoning of the loan book and asset quality remain. In fiscal 2024, microfinance and housing finance portfolios registered a double-digit growth of 33% and 36%, respectively, while vehicle loan portfolio degrew by 4%. However, asset quality in both the microfinance and vehicle finance segments has improved. The 90+ dpd (days past due) for MML stood at 4.3% as of March 2024 (5.1% as on March 31, 2023). The GNPA in case of MCSL stood at 10.2% (20.55% as on March 31, 2023) against 25.9% as on March 31, 2022. The 90+ dpd for MHFCL stood at 0.78% as on March 31, 2024 (0.8% as on March 31, 2023). Nevertheless, CRISIL Ratings will continue to closely monitor the delinquency trend and collection efficiencies in the non-gold loan segments over the medium term. Additionally, sufficiency of capital buffers to withstand asset-side shocks remains a key rating sensitivity factor.

<u>Liquidity: Strong</u>

As per the asset liability management statement of March 31, 2024, MFL, on a standalone basis, had cumulative positive gaps in the up to 1 year bucket. As on May 31, 2024, it had liquidity of Rs 1,231 crore (Rs 903 crore of cash and equivalent and Rs 373 crore of cash credit [CC]/working capital demand loan [WCDL]). Against this, it had total debt repayment (including operating expense) of Rs 1,318 crore in the next three months. This excludes CC/WCDL limits, which are typically rolled over. CRISIL Ratings notes that MFL has been able to roll over the CC/WCDL limits in the past and also during the previous three months and expects to be able to roll over the balance limits falling due in the coming months.

Average monthly collection stood at around Rs 3,624 crore during the fiscal 2024. In terms of additional funding, in fiscal 2024, MFL raised Rs 6,310 crore in the form of terms loans and CP. While a larger proportion of borrowing has been sourced as funding lines from banks and financial institutions such as term loans (34.6%) and CC/WCDL (43.3%), resource profile remained diversified across avenues such as NCDs (14.6%) and subordinated debt (7.5%) as on March 31, 2024.

<u>Outlook: Stable</u>

CRISIL Ratings believes MFL's business risk profile of MFL will continue to be supported by its established market position in the gold loan segment.

<u>Rating Sensitivity factors</u>

Upward factors

- Improvement in capital position with reduction in adjusted gearing of MFL, resulting in a similar reduction in adjusted gearing at the group level
- Improvement in consolidated profitability with RoMA at over 3% on a steady state basis
- Improvement in asset quality of the non-gold loan segment

Downward factors

- Deterioration in asset quality with GNPAs increasing and remaining above 5%
- Adjusted gearing at the group level remaining over 8 times
- Deterioration in consolidated profitability with RoMA being less than 2%

<u>About company and group</u>

Set up in 1997, MFL is a non-deposit-taking, systemically important NBFC engaged in lending against gold jewellery. The company has diversified into Secured and Unsecured MSME segment. It is the flagship company of the MPG, which has diverse businesses such as hospitality, real estate and power generation. The company also distributes mutual funds and general and life insurance products and operates in the money transfer segment and foreign exchanges through its branches.

MFL (on a standalone basis) had an AUM of Rs 22,888 crore. MML had an AUM of Rs 12,194 crore, MCSL had Rs 2,018 crore, and Muthoot Housing had Rs 2,070 crore as on March 31, 2024. The microfinance business accounted for majority i.e. 31%, while the AUM of vehicle and housing finance stood at 5% each.

Key Financial Indicators of MFL – Standalone

As on/ for the period ended March 31		2024	2023	2022	2021	2020
Total managed assets #	Rs crore	27,746	24,852	24,275	22,969	19,453
Total income	Rs crore	4,011	3,491	3,328	3,233	2,726
Profit after tax	Rs crore	563	460	346	370	219
Gross NPA	%	1.6	2.1	2.9	1.9	1.9
Gearing	Times	4.5	4.2*	4.9*	6.2*	5.7*
Return on managed assets #	%	2.1	1.9	1.5	1.7	1.2

 # including off balance sheet assets and co-lending

** net gearing is adjusted for off balance sheet assets and real estate exposure and cash*

Key financials for MPG

As on/ for the period ended March 31		2024	2023	2022	2021
Total managed assets	Rs crore	44,754	37,753	33,748	30,973
Total assets under management	Rs crore	39,170	31,587	28,308	27,371
Total income	Rs crore	6,981	5,596	4,753	4,606
Profit after tax	Rs crore	1,166	725	241	449
Gross NPA	%	2.2	3.3	5.5	3.6
Net gearing/Gearing	Times	5	5.8*	6.0*	7.4*
Return on managed assets $	%	2.8	2.0	0.8	1.6

**net gearing is adjusted for off balance sheet assets and real estate exposure and cash*

$ including off balance sheet assets

Any other information: Not applicable

Note on complexity levels of the rated instrument:

CRISIL Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

CRISIL Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the CRISIL Ratings` complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs.Cr)	Complexity Level	Rating Assigned with Outlook
NA	Non Convertible Debentures#	NA	NA	NA	1900	Simple	CRISIL AA-/Stable
NA	Non Convertible Debentures#	NA	NA	NA	200	Simple	CRISIL AA-/Stable
NA	Non Convertible Debentures#	NA	NA	NA	100	Simple	CRISIL AA-/Stable
NA	Non Convertible Debentures#	NA	NA	NA	109	Simple	CRISIL AA-/Stable
NA	Non Convertible Debentures#	NA	NA	NA	52.16	Simple	CRISIL AA-/Stable
NA	Subordinated Debt#	NA	NA	NA	200	Complex	CRISIL AA-/Stable
INE549K07DM3	Non Convertible Debentures	30-Apr-2024	Zero coupon	30-Apr-2030	9.4	Simple	CRISIL AA-/Stable
INE549K07DN1	Non Convertible Debentures	30-Apr-2024	9.50%	30-Jun-2027	11.67	Simple	CRISIL AA-/Stable
INE549K07DO9	Non Convertible Debentures	30-Apr-2024	9.25%	30-Jun-2026	11.45	Simple	CRISIL AA-/Stable
INE549K07DP6	Non Convertible Debentures	30-Apr-2024	9.75%	30-Apr-2029	5.3	Simple	CRISIL AA-/Stable
INE549K07DQ4	Non Convertible Debentures	30-Apr-2024	10.00%	30-Apr-2030	22.25	Simple	CRISIL AA-/Stable

INE549K07DR2	Non Convertible Debentures	30-Apr-2024	Zero coupon	30-Jun-2026	45.88	Simple	CRISIL AA-/Stable
INE549K07DS0	Non Convertible Debentures	30-Apr-2024	Zero coupon	30-Jun-2027	23.64	Simple	CRISIL AA-/Stable
INE549K07DT8	Non Convertible Debentures	30-Apr-2024	Zero coupon	30-Apr-2029	6.8	Simple	CRISIL AA-/Stable
INE549K07DU6	Non Convertible Debentures	30-Apr-2024	9.55%	30-Apr-2030	30.24	Simple	CRISIL AA-/Stable
INE549K07DV4	Non Convertible Debentures	30-Apr-2024	9.35%	30-Apr-2029	15.18	Simple	CRISIL AA-/Stable
INE549K07DW2	Non Convertible Debentures	30-Apr-2024	8.90%	30-Jun-2026	26.77	Simple	CRISIL AA-/Stable
INE549K07DX0	Non Convertible Debentures	30-Apr-2024	Zero coupon	29-Feb-2032	9.85	Simple	CRISIL AA-/Stable
INE549K07DY8	Non Convertible Debentures	30-Apr-2024	9.15%	30-Jun-2027	39.27	Simple	CRISIL AA-/Stable
INE549K08475	Subordinated Debt	1-Mar-2024	10.05%	31-Dec-2029	50	Complex	CRISIL AA-/Stable
INE549K07DC4	Non Convertible Debentures	31-Jan-2024	Zero coupon	31-Jan-2032	12.3	Simple	CRISIL AA-/Stable
INE549K07DD2	Non Convertible Debentures	31-Jan-2024	9.25%	31-Jan-2026	10.54	Simple	CRISIL AA-/Stable
INE549K07DE0	Non Convertible Debentures	31-Jan-2024	9.50%	31-Jan-2027	47.24	Simple	CRISIL AA-/Stable
INE549K07DF7	Non Convertible Debentures	31-Jan-2024	Zero coupon	31-Jan-2029	10.03	Simple	CRISIL AA-/Stable
INE549K07DG5	Non Convertible Debentures	31-Jan-2024	9.35%	31-Jan-2029	32.29	Simple	CRISIL AA-/Stable
INE549K07DH3	Non Convertible Debentures	31-Jan-2024	9.15%	31-Jan-2027	38.59	Simple	CRISIL AA-/Stable
INE549K07DI1	Non Convertible Debentures	31-Jan-2024	Zero coupon	31-Jan-2026	41.41	Simple	CRISIL AA-/Stable
INE549K07DJ9	Non Convertible Debentures	31-Jan-2024	Zero coupon	31-Jan-2027	42.6	Simple	CRISIL AA-/Stable
INE549K07DK7	Non Convertible Debentures	31-Jan-2024	Zero coupon	31-Jan-2029	39.29	Simple	CRISIL AA-/Stable
INE549K07DL5	Non Convertible Debentures	31-Jan-2024	8.90%	31-Jan-2026	25.71	Simple	CRISIL AA-/Stable
INE549K08467	Perpetual Bonds	22-Dec-2023	12.00%	Perpetual	50	Highly complex	CRISIL A/Stable
INE549K07DB6	Non Convertible Debentures	21-Dec-2023	9.75%	21-Dec-2028	200	Simple	CRISIL AA-/Stable
INE549K08459	Perpetual Bonds	5-Dec-2023	12.00%	Perpetual	100	Highly complex	CRISIL A/Stable
INE549K07CR4	Non Convertible Debentures	1-Nov-2023	8.65%	1-Nov-2025	27.11	Simple	CRISIL AA-/Stable
INE549K07CS2	Non Convertible Debentures	1-Nov-2023	8.90%	1-Nov-2026	44.23	Simple	CRISIL AA-/Stable
INE549K07CT0	Non Convertible Debentures	1-Nov-2023	9.05%	1-Nov-2028	20.43	Simple	CRISIL AA-/Stable
INE549K07CU8	Non Convertible Debentures	1-Nov-2023	9.00%	1-Nov-2025	9.64	Simple	CRISIL AA-/Stable
INE549K07CV6	Non Convertible Debentures	1-Nov-2023	9.27%	1-Nov-2026	13.89	Simple	CRISIL AA-/Stable
INE549K07CW4	Non Convertible Debentures	1-Nov-2023	9.44%	1-Nov-2028	10.05	Simple	CRISIL AA-/Stable
INE549K07CX2	Non Convertible Debentures	1-Nov-2023	Zero coupon	1-Nov-2025	25.36	Simple	CRISIL AA-/Stable
INE549K07CY0	Non Convertible Debentures	1-Nov-2023	Zero coupon	1-Nov-2026	13.86	Simple	CRISIL AA-/Stable
INE549K07CZ7	Non Convertible Debentures	1-Nov-2023	Zero coupon	1-Nov-2028	32.72	Simple	CRISIL AA-/Stable
INE549K07DA8	Non Convertible Debentures	1-Nov-2023	Zero coupon	1-Nov-2031	7.61	Simple	CRISIL AA-/Stable

INE549K08442	Perpetual Bonds	26-Sep-2023	12.00%	Perpetual	50	Highly complex	CRISIL A/Stable
INE549K07CH5	Non Convertible Debentures	20-Sep-2023	Zero coupon	20-Sep-2031	13.6	Simple	CRISIL AA-/Stable
INE549K07CI3	Non Convertible Debentures	20-Sep-2023	8.65%	20-Sep-2025	27.72	Simple	CRISIL AA-/Stable
INE549K07CJ1	Non Convertible Debentures	20-Sep-2023	Zero coupon	20-Sep-2026	23.88	Simple	CRISIL AA-/Stable
INE549K07CK9	Non Convertible Debentures	20-Sep-2023	Zero coupon	20-Sep-2025	49.53	Simple	CRISIL AA-/Stable
INE549K07CL7	Non Convertible Debentures	20-Sep-2023	9.44%	20-Sep-2028	13.35	Simple	CRISIL AA-/Stable
INE549K07CM5	Non Convertible Debentures	20-Sep-2023	Zero coupon	20-Sep-2028	9.37	Simple	CRISIL AA-/Stable
INE549K07CN3	Non Convertible Debentures	20-Sep-2023	9.27%	20-Sep-2026	13.27	Simple	CRISIL AA-/Stable
INE549K07CO1	Non Convertible Debentures	20-Sep-2023	9.00%	20-Sep-2025	13.95	Simple	CRISIL AA-/Stable
INE549K07CP8	Non Convertible Debentures	20-Sep-2023	9.05%	20-Sep-2028	35.54	Simple	CRISIL AA-/Stable
INE549K07CQ6	Non Convertible Debentures	20-Sep-2023	8.90%	20-Sep-2026	28.17	Simple	CRISIL AA-/Stable
INE549K08434	Subordinated Debt	18-Aug-2023	10.05%	18-May-2029	50	Complex	CRISIL AA-/Stable
INE549K07CG7	Non Convertible Debentures	9-Aug-2023	9.10%	9-Aug-2026	100	Simple	CRISIL AA-/Stable
INE549K08426	Subordinated Debt	4-Aug-2023	10.05%	31-May-2029	50	Complex	CRISIL AA-/Stable
INE549K07BY2	Non Convertible Debentures	2-May-2023	Zero Interest	2-May-2030	14.75	Simple	CRISIL AA-/Stable
INE549K07BZ9	Non Convertible Debentures	2-May-2023	Zero Interest	2-Nov-2026	21.43	Simple	CRISIL AA-/Stable
INE549K07CA0	Non Convertible Debentures	2-May-2023	Zero Interest	2-Aug-2025	46.27	Simple	CRISIL AA-/Stable
INE549K07CB8	Non Convertible Debentures	2-May-2023	9.15%	2-May-2028	13.7	Simple	CRISIL AA-/Stable
INE549K07CC6	Non Convertible Debentures	2-May-2023	9%	2-May-2030	22.15	Simple	CRISIL AA-/Stable
INE549K07CD4	Non Convertible Debentures	2-May-2023	8.80%	2-May-2028	11	Simple	CRISIL AA-/Stable
INE549K07CE2	Non Convertible Debentures	2-May-2023	8.65%	2-Nov-2026	13.18	Simple	CRISIL AA-/Stable
INE549K07CF9	Non Convertible Debentures	2-May-2023	8.40%	2-Aug-2025	29.62	Simple	CRISIL AA-/Stable
INE549K08418	Perpetual Bonds	15-Mar-2023	12.00%	Perpetual	50	Highly complex	CRISIL A/Stable
INE549K08400	Subordinated Debt	14-Feb-2023	10.05%	14-Aug-2028	50	Complex	CRISIL AA-/Stable
INE549K07BQ8	Non Convertible Debentures	2-Feb-2023	zero coupon	2-Apr-2026	69.47	Simple	CRISIL AA-/Stable
INE549K07BR6	Non Convertible Debentures	2-Feb-2023	zero coupon	2-May-2025	74.83	Simple	CRISIL AA-/Stable
INE549K07BS4	Non Convertible Debentures	2-Feb-2023	8.70%	2-Feb-2027	11.74	Simple	CRISIL AA-/Stable
INE549K07BT2	Non Convertible Debentures	2-Feb-2023	8.25%	2-Apr-2026	19.57	Simple	CRISIL AA-/Stable
INE549K07BU0	Non Convertible Debentures	2-Feb-2023	8.50%	2-Feb-2028	40.32	Simple	CRISIL AA-/Stable
INE549K07BV8	Non Convertible Debentures	2-Feb-2023	8.10%	2-May-2025	40.38	Simple	CRISIL AA-/Stable
INE549K07BW6	Non Convertible Debentures	2-Feb-2023	8.80%	2-Feb-2028	15.06	Simple	CRISIL AA-/Stable
INE549K07BX4	Non Convertible Debentures	2-Feb-2023	8.40%	2-Feb-2027	11.81	Simple	CRISIL AA-/Stable

INE549K08384	Subordinated Debt	5-Dec-2022	9.90%	5-May-2028	50	Complex	CRISIL AA-/Stable
INE549K08392	Subordinated Debt	5-Dec-2022	10.05%	15-Jun-2028	50	Complex	CRISIL AA-/Stable
INE549K08376	Perpetual Bonds	23-Sep-2022	12.00%	Perpetual	25	Highly complex	CRISIL A/Stable
INE549K08368	Subordinated Debt	20-Sep-2022	10.04%	20-Sep-2028	50	Complex	CRISIL AA-/Stable
INE549K07BJ3	Non Convertible Debentures	6-Sep-2022	Zero coupon	6-Sep-2030	40.08	Simple	CRISIL AA-/Stable
INE549K07BK1	Non Convertible Debentures	6-Sep-2022	Zero coupon	6-Sep-2026	28.74	Simple	CRISIL AA-/Stable
INE549K07BL9	Non Convertible Debentures	6-Sep-2022	Zero coupon	5-Nov-2025	35.95	Simple	CRISIL AA-/Stable
INE549K07BM7	Non Convertible Debentures	6-Sep-2022	Zero coupon	5-Dec-2024	85.02	Simple	CRISIL AA-/Stable
INE549K07BN5	Non Convertible Debentures	6-Sep-2022	8.35%	6-Sep-2026	89.95	Simple	CRISIL AA-/Stable
INE549K07BO3	Non Convertible Debentures	6-Sep-2022	8.25%	5-Nov-2025	43.1	Simple	CRISIL AA-/Stable
INE549K07BP0	Non Convertible Debentures	6-Sep-2022	8.00%	5-Dec-2024	76	Simple	CRISIL AA-/Stable
INE549K08343	Subordinated Debt	13-Jul-2022	10.26%	13-Jul-2028	50	Complex	CRISIL AA-/Stable
INE549K08350	Perpetual Bonds	12-Jul-2022	12%	Perpetual	25	Highly Complex	CRISIL A/Stable
INE549K08335	Subordinated Debt	17-Mar-2022	10.26%	30-Dec-2027	50	Complex	CRISIL AA-/Stable
INE549K08327	Subordinated Debt	4-Mar-2022	10.26%	31-Dec-2027	50	Complex	CRISIL AA-/Stable
INE549K07BA2	Non Convertible Debentures	2-Feb-2022	8.25%	3-Apr-2025	39.15	Simple	CRISIL AA-/Stable
INE549K07BB0	Non Convertible Debentures	2-Feb-2022	8.50%	2-Feb-2027	28.03	Simple	CRISIL AA-/Stable
INE549K07BC8	Non Convertible Debentures	2-Feb-2022	8.75%	2-Feb-2028	19.57	Simple	CRISIL AA-/Stable
INE549K07BD6	Non Convertible Debentures	2-Feb-2022	9.00%	2-Feb-2030	56.39	Simple	CRISIL AA-/Stable
INE549K07BF1	Non Convertible Debentures	2-Feb-2022	Zero coupon	3-Apr-2025	30.39	Simple	CRISIL AA-/Stable
INE549K07BG9	Non Convertible Debentures	2-Feb-2022	Zero coupon	2-Feb-2027	12.71	Simple	CRISIL AA-/Stable
INE549K07BH7	Non Convertible Debentures	2-Feb-2022	Zero coupon	2-Feb-2028	8.26	Simple	CRISIL AA-/Stable
INE549K07BI5	Non Convertible Debentures	2-Feb-2022	Zero coupon	2-Feb-2030	40.9	Simple	CRISIL AA-/Stable
INE549K08319	Perpetual Bonds	20-Dec-2021	12.00%	Perpetual	25	Highly complex	CRISIL A/Stable
INE549K07AT4	Non Convertible Debentures	29-Oct-2021	8.50%	28-Dec-2024	39.4	Simple	CRISIL AA-/Stable
INE549K07AU2	Non Convertible Debentures	29-Oct-2021	8.75%	29-Oct-2026	34.71	Simple	CRISIL AA-/Stable
INE549K07AW8	Non Convertible Debentures	29-Oct-2021	Zero coupon	28-Dec-2024	30.36	Simple	CRISIL AA-/Stable
INE549K07AX6	Non Convertible Debentures	29-Oct-2021	Zero coupon	29-Oct-2026	19.17	Simple	CRISIL AA-/Stable
INE549K08285	Non Convertible Debentures	29-Oct-2021	9.50%	29-Oct-2027	32.27	Simple	CRISIL AA-/Stable
INE549K08293	Non Convertible Debentures	29-Oct-2021	9.75%	29-Jan-2029	57.48	Simple	CRISIL AA-/Stable
INE549K08301	Non Convertible Debentures	29-Oct-2021	Zero coupon	29-Jan-2029	60.67	Simple	CRISIL AA-/Stable
INE549K08277	Perpetual Bonds	18-Aug-2021	12%	Perpetual	60	Highly complex	CRISIL A/Stable

INE549K08269	Perpetual Bonds	28-Jun-2021	12%	Perpetual	50	Highly complex	CRISIL A/Stable
INE549K07AI7	Non Convertible Debentures	7-May-2021	8.50%	6-Jul-2024	24.83	Simple	CRISIL AA-/Stable
INE549K07AJ5	Non Convertible Debentures	7-May-2021	8.75%	7-May-2026	21.22	Simple	CRISIL AA-/Stable
INE549K07AN7	Non Convertible Debentures	7-May-2021	Zero coupon	6-Jul-2024	18.48	Simple	CRISIL AA-/Stable
INE549K07AO5	Non Convertible Debentures	7-May-2021	Zero coupon	7-May-2026	13.06	Simple	CRISIL AA-/Stable
INE549K08236	Non Convertible Debentures	7-May-2021	9.50%	7-May-2027	20.18	Simple	CRISIL AA-/Stable
INE549K08244	Non Convertible Debentures	7-May-2021	9.75%	7-Aug-2028	30.23	Simple	CRISIL AA-/Stable
INE549K08251	Non Convertible Debentures	7-May-2021	Zero coupon	7-Aug-2028	38.85	Simple	CRISIL AA-/Stable
INE549K07AB2	Non Convertible Debentures	15-Mar-2021	8.75%	15-Mar-2026	22.43	Simple	CRISIL AA-/Stable
INE549K07AE6	Non Convertible Debentures	15-Mar-2021	Zero coupon	15-Mar-2026	11.74	Simple	CRISIL AA-/Stable
INE549K08202	Non Convertible Debentures	15-Mar-2021	9%	15-Mar-2027	26.89	Simple	CRISIL AA-/Stable
INE549K08210	Non Convertible Debentures	15-Mar-2021	9.40%	15-Mar-2027	7.65	Simple	CRISIL AA-/Stable
INE549K08228	Non Convertible Debentures	15-Mar-2021	Zero coupon	15-Mar-2027	24.62	Simple	CRISIL AA-/Stable
INE549K07949	Non Convertible Debentures	29-Jan-2021	8.75%	29-Jan-2026	29.12	Simple	CRISIL AA-/Stable
INE549K07972	Non Convertible Debentures	29-Jan-2021	Zero coupon	29-Jan-2026	22.84	Simple	CRISIL AA-/Stable
INE549K08178	Non Convertible Debentures	29-Jan-2021	9%	29-Jan-2027	32.02	Simple	CRISIL AA-/Stable
INE549K08186	Non Convertible Debentures	29-Jan-2021	9.40%	29-Jan-2027	11.78	Simple	CRISIL AA-/Stable
INE549K08194	Non Convertible Debentures	29-Jan-2021	Zero coupon	29-Jan-2027	41.87	Simple	CRISIL AA-/Stable
INE549K07824	Non Convertible Debentures	29-Oct-2020	9.15%	29-Oct-2025	47.85	Simple	CRISIL AA-/Stable
INE549K07857	Non Convertible Debentures	29-Oct-2020	9.60%	29-Oct-2025	19.01	Simple	CRISIL AA-/Stable
INE549K07881	Non Convertible Debentures	29-Oct-2020	Zero coupon	29-Oct-2025	49.43	Simple	CRISIL AA-/Stable
INE549K07683	Non Convertible Debentures	17-Jul-2020	9.25%	17-Jul-2025	13.96	Simple	CRISIL AA-/Stable
INE549K07717	Non Convertible Debentures	17-Jul-2020	9.75%	17-Jul-2025	5.81	Simple	CRISIL AA-/Stable
INE549K07741	Non Convertible Debentures	17-Jul-2020	Zero coupon	17-Jul-2025	28.07	Simple	CRISIL AA-/Stable
INE549K07543	Non Convertible Debentures	7-Feb-2020	9.50%	7-Feb-2025	26.32	Simple	CRISIL AA-/Stable
INE549K07576	Non Convertible Debentures	7-Feb-2020	10%	7-Feb-2025	8.91	Simple	CRISIL AA-/Stable
INE549K07618	Non Convertible Debentures	7-Feb-2020	Zero coupon	7-Feb-2025	55.6	Simple	CRISIL AA-/Stable
INE549K08160	Perpetual Bonds	26-Feb-2018	12%	Perpetual	48	Highly complex	CRISIL A/Stable
INE549K08145	Perpetual Bonds	2-Nov-2017	12%	Perpetual	24	Highly complex	CRISIL A/Stable
INE549K08152	Perpetual Bonds	17-Oct-2017	12%	Perpetual	48	Highly complex	CRISIL A/Stable
INE549K08079	Perpetual Bonds	30-Sep-2010	12.00%	Perpetual	14	Highly complex	CRISIL A/Stable
INE549K08053	Perpetual Bonds	21-Dec-2009	12.00%	Perpetual	54	Highly complex	CRISIL A/Stable

INE549K08046	Perpetual Bonds	10-Aug-2009	12.00%	Perpetual	26	Highly complex	CRISIL A/Stable
INE549K08061	Perpetual Bonds	30-Nov-2008	12.00%	Perpetual	50	Highly complex	CRISIL A/Stable
NA	Term Loan	NA	NA	31-Oct-2025	499.04	NA	CRISIL AA-/Stable
NA	Term Loan	NA	NA	30-May-2029	300	NA	CRISIL AA-/Stable
NA	Term Loan	NA	NA	31-Dec-2026	90	NA	CRISIL AA-/Stable
NA	Term Loan	NA	NA	31-Dec-2027	1391.53	NA	CRISIL AA-/Stable
NA	Term Loan	NA	NA	30-May-2028	100	NA	CRISIL AA-/Stable
NA	Term Loan	NA	NA	31-Mar-2027	687.23	NA	CRISIL AA-/Stable
NA	Term Loan	NA	NA	29-Mar-2025	28.4	NA	CRISIL AA-/Stable
NA	Term Loan	NA	NA	31-Dec-2026	302.27	NA	CRISIL AA-/Stable
NA	Term Loan	NA	NA	31-Mar-2031	100	NA	CRISIL AA-/Stable
NA	Term Loan	NA	NA	30-May-2026	60	NA	CRISIL AA-/Stable
NA	Term Loan	NA	NA	30-Sep-2027	160	NA	CRISIL AA-/Stable
NA	Term Loan	NA	NA	30-Jun-2028	201.03	NA	CRISIL AA-/Stable
NA	Term Loan	NA	NA	30-Sep-2025	288.59	NA	CRISIL AA-/Stable
NA	Commercial Paper	NA	NA	7-365 Days	500	Simple	CRISIL A1+
NA	Cash Credit & Working Capital Demand Loan	NA	NA	NA	6215	NA	CRISIL AA-/Stable
NA	Working Capital Term Loan	NA	NA	30-Mar-2026	102	NA	CRISIL AA-/Stable
NA	Proposed Long Term Bank Loan Facility	NA	NA	NA	1575.69	NA	CRISIL AA-/Stable
NA	Cash Credit	NA	NA	NA	10	NA	CRISIL AA-/Stable
NA	Working Capital Term Loan	NA	NA	30-Nov-2028	1081.66	NA	CRISIL AA-/Stable
NA	Working Capital Term Loan	NA	NA	30-Sep-2026	559.04	NA	CRISIL AA-/Stable
NA	Working Capital Term Loan	NA	NA	28-Mar-2029	250	NA	CRISIL AA-/Stable
NA	Working Capital Term Loan	NA	NA	6-Sep-2024	458.68	NA	CRISIL AA-/Stable
NA	Working Capital Term Loan	NA	NA	30-May-2028	714.84	NA	CRISIL AA-/Stable
NA	Working Capital Demand Loan	NA	NA	22-Nov-2023	150	NA	CRISIL AA-/Stable
NA	Working Capital Demand Loan	NA	NA	NA	1750	NA	CRISIL AA-/Stable
NA	Working Capital Demand Loan	NA	NA	28-Sep-2024	100	NA	CRISIL AA-/Stable
NA	Non-Fund Based Limit^	NA	NA	31-Jul-2023	40	NA	CRISIL AA-/Stable
NA	Non-Fund Based Limit[&]	NA	NA	21-Jan-2024	50	NA	CRISIL AA-/Stable
NA	Working Capital Demand Loan	NA	NA	26-Sep-2024	35	NA	CRISIL AA-/Stable

NA	Working Capital Demand Loan	NA	NA	28-Feb-2025	400	NA	CRISIL AA-/Stable
NA	Working Capital Term Loan	NA	NA	30-Jul-2027	500	NA	CRISIL AA-/Stable

#Yet to be issued
&CEL for hedging forex liability
^Derivative limit

Annexure – List of entities consolidated

Names of Entities Consolidated	Extent of Consolidation	Rationale for Consolidation
Muthoot Microfin Ltd	Full	Subsidiary
Muthoot Housing Finance Company Ltd	Full	Subsidiary
Muthoot Capital Services Ltd	Full	Group company

Annexure - Rating History for last 3 Years

	Current			2024 (History)		2023		2022		2021		Start of 2021
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	18110.0	CRISIL AA-/Stable	18-06-24	CRISIL AA-/Stable	28-12-23	CRISIL AA-/Stable	02-12-22	CRISIL AA-/Stable	13-12-21	CRISIL A+/Stable	CRISIL A/Stable
			--	07-06-24	CRISIL AA-/Stable	29-11-23	CRISIL AA-/Stable	03-11-22	CRISIL AA-/Stable	04-08-21	CRISIL A+/Stable	--
			--	21-05-24	CRISIL AA-/Stable	06-11-23	CRISIL AA-/Stable	20-10-22	CRISIL AA-/Stable	03-08-21	CRISIL A+/Stable	--
			--	08-04-24	CRISIL AA-/Stable	12-10-23	CRISIL AA-/Stable	18-10-22	CRISIL AA-/Stable	19-07-21	CRISIL A+/Stable	--
			--		--	22-09-23	CRISIL AA-/Stable	21-09-22	CRISIL A+/Stable	01-06-21	CRISIL A+/Stable	--
			--		--	29-07-23	CRISIL AA-/Stable	17-06-22	CRISIL A+/Stable	18-03-21	CRISIL A+/Stable	--
			--		--	08-05-23	CRISIL AA-/Stable	15-03-22	CRISIL A+/Stable	16-03-21	CRISIL A+/Stable	--
			--		--	28-04-23	CRISIL AA-/Stable	02-03-22	CRISIL A+/Stable	03-02-21	CRISIL A/Stable	--
			--		--	13-03-23	CRISIL AA-/Stable	25-02-22	CRISIL A+/Stable		--	--
			--		--	06-03-23	CRISIL AA-/Stable		--		--	--
			--		--	10-02-23	CRISIL AA-/Stable		--		--	--
			--		--	07-02-23	CRISIL AA-/Stable		--		--	--
Non-Fund Based Facilities	LT	90.0	CRISIL AA-/Stable	18-06-24	CRISIL AA-/Stable	28-12-23	CRISIL AA-/Stable		--		--	--
			--	07-06-24	CRISIL AA-/Stable	29-11-23	CRISIL AA-/Stable		--		--	--
			--	21-05-24	CRISIL AA-/Stable	06-11-23	CRISIL AA-/Stable		--		--	--
			--	08-04-24	CRISIL AA-/Stable	12-10-23	CRISIL AA-/Stable		--		--	--
			--		--	22-09-23	CRISIL AA-/Stable		--		--	--
			--		--	29-07-23	CRISIL AA-/Stable		--		--	--
Commercial Paper	ST	500.0	CRISIL A1+	18-06-24	CRISIL A1+	28-12-23	CRISIL A1+	02-12-22	CRISIL A1+	13-12-21	CRISIL A1+	CRISIL A1
			--	07-06-24	CRISIL A1+	29-11-23	CRISIL A1+	03-11-22	CRISIL A1+	04-08-21	CRISIL A1+	--
			--	21-05-24	CRISIL A1+	06-11-23	CRISIL A1+	20-10-22	CRISIL A1+	03-08-21	CRISIL A1+	--
			--	08-04-24	CRISIL A1+	12-10-23	CRISIL A1+	18-10-22	CRISIL A1+	19-07-21	CRISIL A1+	--
			--		--	22-09-23	CRISIL A1+	21-09-22	CRISIL A1+	01-06-21	CRISIL A1+	--
			--		--	29-07-23	CRISIL A1+	17-06-22	CRISIL A1+	18-03-21	CRISIL A1+	--

			--		--	08-05-23	CRISIL A1+	15-03-22	CRISIL A1+	16-03-21	CRISIL A1+	--
			--		--	28-04-23	CRISIL A1+	02-03-22	CRISIL A1+	03-02-21	CRISIL A1	--
			--		--	13-03-23	CRISIL A1+	25-02-22	CRISIL A1+		--	--
			--		--	06-03-23	CRISIL A1+		--		--	--
			--		--	10-02-23	CRISIL A1+		--		--	--
			--		--	07-02-23	CRISIL A1+		--		--	--
Non Convertible Debentures	LT	5668.51	CRISIL AA-/Stable	18-06-24	CRISIL AA-/Stable	28-12-23	CRISIL AA-/Stable	02-12-22	CRISIL AA-/Stable	13-12-21	CRISIL A+/Stable	CRISIL A/Stable
			--	07-06-24	CRISIL AA-/Stable	29-11-23	CRISIL AA-/Stable	03-11-22	CRISIL AA-/Stable	04-08-21	CRISIL A+/Stable	--
			--	21-05-24	CRISIL AA-/Stable	06-11-23	CRISIL AA-/Stable	20-10-22	CRISIL AA-/Stable	03-08-21	CRISIL A+/Stable	--
			--	08-04-24	CRISIL AA-/Stable	12-10-23	CRISIL AA-/Stable	18-10-22	CRISIL AA-/Stable	19-07-21	CRISIL A+/Stable	--
			--		--	22-09-23	CRISIL AA-/Stable	21-09-22	CRISIL A+/Stable	01-06-21	CRISIL A+/Stable	--
			--		--	29-07-23	CRISIL AA-/Stable	17-06-22	CRISIL A+/Stable	18-03-21	CRISIL A+/Stable	--
			--		--	08-05-23	CRISIL AA-/Stable	15-03-22	CRISIL A+/Stable	16-03-21	CRISIL A+/Stable	--
			--		--	28-04-23	CRISIL AA-/Stable	02-03-22	CRISIL A+/Stable	03-02-21	CRISIL A/Stable	--
			--		--	13-03-23	CRISIL AA-/Stable	25-02-22	CRISIL A+/Stable		--	--
			--		--	06-03-23	CRISIL AA-/Stable		--		--	--
			--		--	10-02-23	CRISIL AA-/Stable		--		--	--
			--		--	07-02-23	CRISIL AA-/Stable		--		--	--
Perpetual Bonds	LT	699.0	CRISIL A/Stable	18-06-24	CRISIL A/Stable	28-12-23	CRISIL A/Stable	02-12-22	CRISIL A/Stable	13-12-21	CRISIL A-/Stable	CRISIL BBB+/Stable
			--	07-06-24	CRISIL A/Stable	29-11-23	CRISIL A/Stable	03-11-22	CRISIL A/Stable	04-08-21	CRISIL A-/Stable	--
			--	21-05-24	CRISIL A/Stable	06-11-23	CRISIL A/Stable	20-10-22	CRISIL A/Stable	03-08-21	CRISIL A-/Stable	--
			--	08-04-24	CRISIL A/Stable	12-10-23	CRISIL A/Stable	18-10-22	CRISIL A/Stable	19-07-21	CRISIL A-/Stable	--
			--		--	22-09-23	CRISIL A/Stable	21-09-22	CRISIL A-/Stable	01-06-21	CRISIL A-/Stable	--
			--		--	29-07-23	CRISIL A/Stable	17-06-22	CRISIL A-/Stable	18-03-21	CRISIL A-/Stable	--
			--		--	08-05-23	CRISIL A/Stable	15-03-22	CRISIL A-/Stable	16-03-21	CRISIL A-/Stable	--
			--		--	28-04-23	CRISIL A/Stable	02-03-22	CRISIL A-/Stable	03-02-21	CRISIL BBB+/Stable	--
			--		--	13-03-23	CRISIL A/Stable	25-02-22	CRISIL A-/Stable		--	--
			--		--	06-03-23	CRISIL A/Stable		--		--	--
			--		--	10-02-23	CRISIL A/Stable		--		--	--
			--		--	07-02-23	CRISIL A/Stable		--		--	--
Subordinated Debt	LT	700.0	CRISIL AA-/Stable	18-06-24	CRISIL AA-/Stable	28-12-23	CRISIL AA-/Stable	02-12-22	CRISIL AA-/Stable	18-03-21	Withdrawn	CRISIL A/Stable
			--	07-06-24	CRISIL AA-/Stable	29-11-23	CRISIL AA-/Stable	03-11-22	CRISIL AA-/Stable	16-03-21	CRISIL A+/Stable	--
			--	21-05-24	CRISIL AA-/Stable	06-11-23	CRISIL AA-/Stable	20-10-22	CRISIL AA-/Stable	03-02-21	CRISIL A/Stable	--
			--	08-04-24	CRISIL AA-/Stable	12-10-23	CRISIL AA-/Stable	18-10-22	CRISIL AA-/Stable		--	--

			--		--	22-09-23	CRISIL AA-/Stable	21-09-22	CRISIL A+/Stable		--	--
			--		--	29-07-23	CRISIL AA-/Stable	17-06-22	CRISIL A+/Stable		--	--
			--		--	08-05-23	CRISIL AA-/Stable	15-03-22	CRISIL A+/Stable		--	--
			--		--	28-04-23	CRISIL AA-/Stable	02-03-22	CRISIL A+/Stable		--	--
			--		--	13-03-23	CRISIL AA-/Stable	25-02-22	CRISIL A+/Stable		--	--
			--		--	06-03-23	CRISIL AA-/Stable		--		--	--
			--		--	10-02-23	CRISIL AA-/Stable		--		--	--
			--		--	07-02-23	CRISIL AA-/Stable		--		--	--
Long Term Principal Protected Market Linked Debentures	LT		--	21-05-24	CRISIL PPMLD AA-/Stable	28-12-23	CRISIL PPMLD AA-/Stable	02-12-22	CRISIL PPMLD AA- r /Stable	13-12-21	CRISIL PPMLD A+ r /Stable	Provisional CRISIL PPMLD AA+ r (CE) /Stable
			--	08-04-24	CRISIL PPMLD AA-/Stable	29-11-23	CRISIL PPMLD AA-/Stable	03-11-22	CRISIL PPMLD AA- r /Stable		--	--
			--		--	06-11-23	CRISIL PPMLD AA-/Stable	20-10-22	CRISIL PPMLD AA- r /Stable		--	--
			--		--	12-10-23	CRISIL PPMLD AA-/Stable	18-10-22	CRISIL PPMLD AA- r /Stable		--	--
			--		--	22-09-23	CRISIL PPMLD AA-/Stable	21-09-22	CRISIL PPMLD A+ r /Stable		--	--
			--		--	29-07-23	CRISIL PPMLD AA-/Stable	17-06-22	CRISIL PPMLD A+ r /Stable		--	--
			--		--	08-05-23	CRISIL PPMLD AA-/Stable	15-03-22	CRISIL PPMLD A+ r /Stable		--	--
			--		--	28-04-23	CRISIL PPMLD AA-/Stable	02-03-22	CRISIL PPMLD A+ r /Stable		--	--
			--		--	13-03-23	CRISIL PPMLD AA-/Stable	25-02-22	CRISIL PPMLD A+ r /Stable		--	--
			--		--	06-03-23	CRISIL PPMLD AA-/Stable		--		--	--
			--		--	10-02-23	CRISIL PPMLD AA-/Stable		--		--	--
			--		--	07-02-23	CRISIL PPMLD AA-/Stable		--		--	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Cash Credit	10	Bandhan Bank Limited	CRISIL AA-/Stable
Cash Credit & Working Capital Demand Loan	1400	State Bank of India	CRISIL AA-/Stable
Cash Credit & Working Capital Demand Loan	450	IndusInd Bank Limited	CRISIL AA-/Stable

Cash Credit & Working Capital Demand Loan	150	Central Bank Of India	CRISIL AA-/Stable
Cash Credit & Working Capital Demand Loan	350	IDBI Bank Limited	CRISIL AA-/Stable
Cash Credit & Working Capital Demand Loan	225	The South Indian Bank Limited	CRISIL AA-/Stable
Cash Credit & Working Capital Demand Loan	150	The Federal Bank Limited	CRISIL AA-/Stable
Cash Credit & Working Capital Demand Loan	100	Indian Overseas Bank	CRISIL AA-/Stable
Cash Credit & Working Capital Demand Loan	25	Bank of Maharashtra	CRISIL AA-/Stable
Cash Credit & Working Capital Demand Loan	50	The Karnataka Bank Limited	CRISIL AA-/Stable
Cash Credit & Working Capital Demand Loan	200	DBS Bank Limited	CRISIL AA-/Stable
Cash Credit & Working Capital Demand Loan	50	Tamilnad Mercantile Bank Limited	CRISIL AA-/Stable
Cash Credit & Working Capital Demand Loan	1400	Punjab National Bank	CRISIL AA-/Stable
Cash Credit & Working Capital Demand Loan	125	The Karur Vysya Bank Limited	CRISIL AA-/Stable
Cash Credit & Working Capital Demand Loan	450	Bank of Baroda	CRISIL AA-/Stable
Cash Credit & Working Capital Demand Loan	50	The Karnataka Bank Limited	CRISIL AA-/Stable
Cash Credit & Working Capital Demand Loan	225	Axis Bank Limited	CRISIL AA-/Stable
Cash Credit & Working Capital Demand Loan	65	DCB Bank Limited	CRISIL AA-/Stable
Cash Credit & Working Capital Demand Loan	550	Indian Bank	CRISIL AA-/Stable
Cash Credit & Working Capital Demand Loan	200	HDFC Bank Limited	CRISIL AA-/Stable
Non-Fund Based Limit^	40	IndusInd Bank Limited	CRISIL AA-/Stable
Non-Fund Based Limit&	50	State Bank of India	CRISIL AA-/Stable
Proposed Long Term Bank Loan Facility	1500	Not Applicable	CRISIL AA-/Stable
Proposed Long Term Bank Loan Facility	75.69	Not Applicable	CRISIL AA-/Stable
Term Loan	201.03	Central Bank Of India	CRISIL AA-/Stable
Term Loan	288.59	Indian Bank	CRISIL AA-/Stable
Term Loan	499.04	Axis Bank Limited	CRISIL AA-/Stable
Term Loan	300	Indian Overseas Bank	CRISIL AA-/Stable
Term Loan	90	Nabkisan Finance Limited	CRISIL AA-/Stable
Term Loan	1391.53	Canara Bank	CRISIL AA-/Stable
Term Loan	100	The Federal Bank Limited	CRISIL AA-/Stable
Term Loan	687.23	Punjab National Bank	CRISIL AA-/Stable
Term Loan	28.4	YES Bank Limited	CRISIL AA-/Stable
Term Loan	302.27	Bandhan Bank Limited	CRISIL AA-/Stable
Term Loan	100	IDBI Bank Limited	CRISIL AA-/Stable

Term Loan	60	Bajaj Finance Limited	CRISIL AA-/Stable
Term Loan	160	The Federal Bank Limited	CRISIL AA-/Stable
Working Capital Demand Loan	400	DBS Bank India Limited	CRISIL AA-/Stable
Working Capital Demand Loan	150	HDFC Bank Limited	CRISIL AA-/Stable
Working Capital Demand Loan	100	IndusInd Bank Limited	CRISIL AA-/Stable
Working Capital Demand Loan	1750	Union Bank of India	CRISIL AA-/Stable
Working Capital Demand Loan	35	DCB Bank Limited	CRISIL AA-/Stable
Working Capital Term Loan	458.68	Bank of India	CRISIL AA-/Stable
Working Capital Term Loan	1081.66	State Bank of India	CRISIL AA-/Stable
Working Capital Term Loan	714.84	UCO Bank	CRISIL AA-/Stable
Working Capital Term Loan	500	Bank of Maharashtra	CRISIL AA-/Stable
Working Capital Term Loan	559.04	Bank of Maharashtra	CRISIL AA-/Stable
Working Capital Term Loan	102	Punjab and Sind Bank	CRISIL AA-/Stable
Working Capital Term Loan	250	Bank of Maharashtra	CRISIL AA-/Stable

&CEL for hedging forex liability
^Derivative limit

Criteria Details

Links to related criteria
CRISILs Bank Loan Ratings - process, scale and default recognition
Rating Criteria for Finance Companies
Rating criteria for hybrid debt instruments of NBFCs/HFCs
CRISILs Criteria for rating short term debt
CRISILs Criteria for Consolidation

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About CRISIL Ratings Limited (A subsidiary of CRISIL Limited, an S&P Global Company)

CRISIL Ratings pioneered the concept of credit rating in India in 1987. With a tradition of independence, analytical rigour and innovation, we set the standards in the credit rating business. We rate the entire range of debt instruments, such as bank loans, certificates of deposit, commercial paper, non-convertible/convertible/partially convertible bonds and debentures, perpetual bonds, bank hybrid capital instruments, asset-backed and mortgage-backed securities, partial guarantees and other structured debt instruments. We have rated over 33,000 large and mid-scale corporates and financial institutions. We have also instituted several innovations in India in the rating business, including ratings for municipal bonds, partially guaranteed instruments and infrastructure investment trusts (InvITs).

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About CRISIL Limited

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It has delivered independent opinions, actionable insights, and efficient solutions to over 100,000 customers through businesses that operate from India, the US, the UK, Argentina, Poland, China, Hong Kong and Singapore.

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CRISIL Ratings uses the prefix 'PP-MLD' for the ratings of principal-protected market-linked debentures (PPMLD) with effect from November 1, 2011, to comply with the SEBI circular, "Guidelines for Issue and Listing of Structured Products/Market Linked Debentures". The revision in rating symbols for PPMLDs should not be construed as a change in the rating of the subject instrument. For details on CRISIL Ratings' use of 'PP-MLD' please refer to the notes to Rating scale for Debt Instruments and Structured Finance Instruments at the following link: https://www.crisil.com/en/home/our-businesses/ratings/credit-ratings-scale.html

ANNEXURE B – CONSENT FROM THE DEBENTURE TRUSTEE

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CL/MUM/24-25/DEB/23

Date: June 12, 2024

Muthoot Fincorp Limited
Muthoot Centre,
TC No 27.3022 Punnen Road
Trivandrum,
Kerala – 695001

Dear Ma'am/Sir

Sub: Proposed public offering of Secured Redeemable Non-Convertible Debentures of face value of ₹1,000 each ("NCDs") for an amount aggregating to ₹ 2000 Crores (Indian Rupees Two Thousand Crores only) (the "Issue") of Muthoot Fincorp Limited ("Company").

We, the undersigned, hereby consent to be named as the Debenture Trustee to the Issue and to our name being inserted as the Debenture Trustee to the Issue in the Draft Shelf Prospectus to be filed with the BSE Limited (**"Stock Exchange"**) and to be forwarded to Securities and Exchange Board of India (**"SEBI"**) and the Shelf Prospectus and relevant Tranche Prospectus(es) to be filed with the Registrar of Companies, Kerala and Lakshadweep (**"RoC"**), Stock Exchange and to be forwarded to SEBI in respect of the Issue and also in all related advertisements and communications sent pursuant to the Issue.

The following details with respect to us may be disclosed:

Name:	**Vardhman Trusteeship Private Limited**
Address:	**The Capital, A Wing, 412A, Bandra Kurla Complex, Bandra (East), Mumbai-400051**
Tel:	**22 4264 8335/ 22 4014 0832**
Fax:	-
Email:	**compliance@vardhmantrustee.com**
Investor Grievance Email	**compliance@vardhmantrustee.com**
Contact Person:	**Rushabh Desai**
Compliance Officer	**Rushabh Desai**
SEBI Registration No:	**IND000000611**
CIN	**U65993WB2010PTC152401**
Logo	VARDHMAN TRUSTEESHIP PVT LTD Nurturing & Protecting Your Trust

We confirm that we are registered with the SEBI and that such registration is valid as on the date of this letter. We enclose a copy of our registration certificate enclosed herein as **Annexure A** and declaration regarding our registration with SEBI as **Annexure B.**

We also confirm that we have not been prohibited by SEBI to act as an intermediary in capital market issues.

We hereby authorise you to deliver this letter of consent to the RoC, pursuant to the provisions of Section 26 of the Companies Act, 2013 and other applicable laws or any other regulatory/statutory authorities as required by law.

MUTHOOT FINCORP LIMITED PUNNEN ROAD TRIVANDRUM

Vardhman Trusteeship Pvt. Ltd.

Registered Office Turner Morrison Building, Unit No. 15, 6 Lyons Range, Kolkata - 700001.
Corporate Office The Capital, 412A, Bandra Kurla Complex, Bandra (East), Mumbai- 400051.
+91 22 4264 8335 / +91 22 4014 0832
corporate@vardhmantrustee.com www.vardhmantrustee.com
Mumbai Bengaluru Kolkata New Delhi

We also agree to keep strictly confidential, until such time as the proposed transaction is publicly announced by the Company in the form of a press release, (i) the nature and scope of this transaction; and (ii) our knowledge of the proposed transaction of the Company.

We confirm that we will immediately inform you and the Lead Manager of any change to the above information until the date when the NCDs commence trading on the Stock Exchange. In the absence of any such communication from us, the above information should be taken as updated information until the NCDs commence trading.

All capitalized terms not defined herein would have the same meaning as attributed to it in the Draft Shelf Prospectus.

This letter may be relied upon by you, the Lead Manager and the legal advisors to the Issue in respect of the Issue.

Sincerely

For Vardhman Trusteeship Private Limited

For Muthoot Fincorp Ltd.

Authorised Signatory

Name: Rushabh Desai
Designation: Compliance Officer

CC:

+91 22 4009 4400
Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)
801 - 804, Wing A,
Building No 3 Inspire BKC, G Block,
Bandra Kurla Complex,
Bandra East, Mumbai 400 051
Maharashtra, India

Khaitan & Co
One World Center
13th Floor, Tower 1,
Senapati Bapat Marg,
Mumbai 400 013
Maharashtra, India

डिबेंचर न्यासी

प्ररूप ख
FORM-B

DEBENTURE TRUSTEE

भारतीय प्रतिभूति और विनिमय बोर्ड
SECURITIES AND EXCHANGE BOARD OF INDIA

(डिबेंचर न्यासी) विनियम, 1993
(DEBENTURE TRUSTEE) REGULATIONS, 1993

000274

(विनियम 8)
(Regulation 8)

रजिस्ट्रीकरण प्रमाणपत्र
CERTIFICATE OF REGISTRATION

1) बोर्ड, भारतीय प्रतिभूति और विनिमय बोर्ड अधिनियम, 1992 के अधीन डिबेंचर न्यासी के लिए बनाए गए नियमों और विनियमों के साथ पठित उस अधिनियम की धारा-12 की उपधारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए,

1) In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the rules and regulations made thereunder for the debenture trustee the Board hereby grants a certificate of registration to

VARDHMAN TRUSTEESHIP PRIVATE LIMITED
Unit No. 15, Turner Morrison Building
6 Lyons Range
KOLKATA
700001
WEST BENGAL
INDIA

को नियमों में, शर्तों के अधीन रहते हुए और विनियमों के अनुसार डिबेंचर न्यासी के रूप में रजिस्ट्रीकरण का प्रमाणपत्र इसके द्वारा प्रदान करता है।
as a debenture trustee subject to the conditions in the rules and in accordance with the regulations.

2) डिबेंचर न्यासी के लिए रजिस्ट्रीकरण कूट है।
2) Registration Code for the debenture trustee is **IND000000611**

3) जब तक नवीकृत न किया जाए, रजिस्ट्रीकरण का प्रमाणपत्र से तक विधिमान्य है।
3) Unless renewed, the certificate of registration is valid from to

This certificate of Registration shall be valid from 15/12/2020 to null, unless Suspended or cancelled by the Board

आदेश से
भारतीय प्रतिभूति और विनिमय बोर्ड
के लिए और उसकी ओर से
By order
For and on behalf of
Securities and Exchange Board of India

स्थान Place : **Mumbai**

तारीख Date : **May 20, 2021**

Aradhana Verma

ARADHANA VERMA
प्राधिकृत हस्ताक्षरकर्ता Authorised Signatory

VARDHMAN
TRUSTEESHIP PRIVATE LIMITED
Nurturing & Protecting Your Trust

Annexure B

We hereby confirm that as on date the following details in relation to our registration with the Securities and Exchange Board of India as a Debenture Trustee is true and correct:

1.	Registration Number	IND000000611
2.	Date of registration/ Renewal of registration	15/12/2020
3.	Date of expiry of registration	Null, unless suspended or cancelled by SEBI
4.	If applied for renewal, date of application	N/A
5.	Any communication from SEBI prohibiting the entity from acting as an intermediary	No
6.	Any enquiry/ investigation being conducted by SEBI	No
7.	Details of any penalty imposed by SEBI	No

Vardhman Trusteeship Pvt. Ltd. *

ANNEXURE C – FINANCIAL STATEMENTS

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Rangamani & Co
Chartered Accountants,
Rose gardens,
Near Iron Bridge,
Alappuzha,
Kerala: 688011

Krishnan Retna & Associates
Chartered Accountants,
TC 37/1510-133,
Nandini Garden, Fort PO,
Thiruvananthapuram,
Kerala: 695023

Independent Auditor's Review Report on unaudited standalone financial results of the Company pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors,
Muthoot Fincorp Limited,
Muthoot Centre, Punnen Road,
Thiruvananthapuram – 695001

1. We have reviewed the accompanying statement of unaudited standalone financial results of **M/s. Muthoot Fincorp Limited, TC No 27/3022, Muthoot Centre, Punnen Road, Thiruvananthapuram – 695001** ("the Company") for the quarter ended June 30, 2024 ("Statement"), being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, read with relevant circulars issued by SEBI.

2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" (IND AS 34), prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with the Listing Regulations read with relevant circulars issued by the SEBI. Our responsibility is to issue a report on the Statement based on our review.

3. We conducted our Review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of standalone, unaudited financial results prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared

Rangamani & Co: PH: 0477-2251474
EMAIL: rangamanis@rediffmail.com

Krishnan Retna & Associates: PH: 0471-2476356
EMAIL: trivandrum@krishnanretna.com

in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

For Rangamani & Co.,	**For Krishnan Retna & Associates**
Chartered Accountants,	**Chartered Accountants,**
ICAI FRN:003052S	**ICAI FRN: 001536S**
KRISHNAN RANGAMANI Digitally signed by KRISHNAN RANGAMANI Date: 2024.08.13 16:06:46 +05'30'	NIKHIL RETNA KUMAR Digitally signed by NIKHIL RETNA KUMAR Date: 2024.08.13 16:24:25 +05'30'
R. Krishnan	**Nikhil R Kumar**
(Partner)	**(Partner)**
M.No.025927	**M.No. 231162**
UDIN: 24025927BKCRNI3285	**UDIN: 24231162BKESWO4749**
Place: Alleppey	**Place: Thiruvananthapuram**
Date: 13/08/2024	**Date: 13/08/2024**

Muthoot FinCorp Limited
Registered Office: Muthoot Centre, Punnen Road, Trivandrum
CIN - U65929KL1997PLC011518
Statement of Standalone Financial Results for the quarter ended June 30, 2024

(Rs. in lakhs)

Particulars	Quarter Ended			Year Ended
	June 30, 2024	March 31, 2024	June 30, 2023	March 31, 2024
	(Unaudited)	(Unaudited) - Refer note 9	(Unaudited)	(Audited)
Revenue from operations				
Interest income	1,04,607.88	1,06,643.96	82,466.00	3,71,504.46
Dividend income	3.83	2.28	5.22	21.34
Rental income	154.99	227.36	150.20	669.67
Fees and commission income	6,045.12	6,262.02	3,438.84	17,695.49
Net Gain on fair value changes	3.20	-	116.75	-
Net gain on derecognition of financial instruments under amortised cost category	12,685.67	5,302.16	-	7,738.88
Others	915.65	1,168.53	576.30	3,465.64
Total Revenue from operations	**1,24,416.34**	**1,19,606.31**	**86,753.31**	**4,01,095.48**
Other Income	6.08	124.58	216.78	481.84
Total Income	**1,24,422.42**	**1,19,730.89**	**86,970.09**	**4,01,577.32**
Expenses				
Finance costs	53,292.14	49,853.10	40,065.47	1,80,502.38
Impairment of financial instruments	4,954.28	(4,749.30)	1,704.68	2,755.59
Net Loss on fair value changes	-	169.87	-	321.25
Employee benefit expenses	24,789.65	22,114.65	18,373.73	78,964.92
Depreciation, amortization and impairment	5,008.76	6,222.38	4,779.00	20,358.25
Other expenses	11,607.09	11,602.14	6,873.68	39,994.32
Total Expenses	**99,651.92**	**85,212.84**	**71,796.56**	**3,22,896.70**
Profit before exceptional items and tax	**24,770.50**	**34,518.05**	**15,173.53**	**78,680.62**
Exceptional items	-		-	-
Profit before tax	**24,770.50**	**34,518.05**	**15,173.53**	**78,680.62**
Tax Expense:				
Current tax	7,831.47	7,789.85	4,876.29	20,062.43
Deferred tax	(1,177.95)	227.04	(701.14)	(185.13)
Tax relating to prior years	-	2,522.41	-	2,522.41
Profit for the period	**18,116.98**	**23,978.74**	**10,998.37**	**56,280.89**
Other Comprehensive Income				
Items that will not be classified to profit or loss:				
Net Gain/(loss) on equity instruments measured through Other Comprehensive Income	34,915.31	(44,058.05)	13,559.72	2,246.86
Remeasurement of the defined benefit liabilities	140.60	(3.42)	(162.72)	(400.98)
Income tax relating to items that will not be reclassified to profit or loss	(8,027.49)	10,082.77	(3,067.87)	(427.27)
Subtotal	**27,028.42**	**(33,978.70)**	**10,329.14**	**1,418.61**
Items that will be classified to profit or loss	-	-	-	-
Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
Subtotal	-	-	-	-
Other Comprehensive Income	**27,028.42**	**(33,978.70)**	**10,329.14**	**1,418.61**
Total Comprehensive Income for the period (Comprising Profit and Other Comprehensive Income for the period)	**45,145.40**	**(9,999.96)**	**21,327.51**	**57,699.51**
Earnings per equity share (not annualised)				
Basic (Rs.)	9.35	12.38	5.68	29.05
Diluted (Rs.)	9.00	11.92	5.47	27.97

See accompanying notes to financial results

On behalf of the Board of Directors

Thomas John Muthoot
Managing Director
DIN: 00011618

Thiruvananthapuram, August 13, 2024

Muthoot FinCorp Limited
Registered Office: Muthoot Centre, Punnen Road, Trivandrum
CIN - U65929KL1997PLC011518
NOTES TO UNAUDITED FINANCIAL RESULTS FOR THE QUARTER JUNE 30, 2024

1 The above Unaudited Standalone Financial Results of Muthoot Fincorp Limited ("Company") were reviewed by the audit committee and recommended for approval and approved by the Board of Directors at their meetings held on August 13, 2024.

2 The above results of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 and other recognized accounting practices generally accepted in India and in accordance with the requirements of Regulation 52 of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. These results for the quarter ended June 30, 2024 were reviewed by the joint statutory auditors M/s. Krishnan Retna & Associates and M/s. Rangamani & Co, who have issued an unmodified conclusion thereon.

3 The Company has neither transferred nor acquired any loans not in default / stressed loans, to / from other entities during the quarter ended June 30, 2024.

4 The Company has maintained requisite full asset cover by way of mortgage of immovable property, pari passu / subservient charge respectively on current assets, book debts and loans and advances of the Company, on its Secured, Listed, Non-Convertible Debentures as at June 30, 2024.

5 The Company has allotted 7,902 equity shares of face value of Rs. 10 each, fully paid up at an offer price of Rs.100/- (including a premium of Rs. 90/- per share) in accordance with the terms of Employee Stock Option Plan - 2018 to the Muthoot Fincorp Employee Welfare Trust during the quarter ended June 30, 2024.

6 During the quarter ended June, 2024, the Company has invested a sum of Rs.2,500.00 lakh towards 37,87,875 equity shares of Muthoot Housing Finance Company Limited.

7 Ratios as required as per Regulation 52(4) of and related party disclosures as required by, the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended for the quarter ended June 30, 2024 are annexed herewith.

8 The Company is primarily engaged in the business of financing and all its operations are in India. Accordingly, there are no separate reportable segments as per Ind AS 108 "Operating Segments".

9 The figures for the quarter ended March 31, 2024 is the balancing figure between the audited figures in respect of the year ended March 31, 2024 and the unaudited figures of the nine months ended December 31, 2023.

10 Previous periods figures have been regrouped / reclassified wherever necessary to make them comparable with those of the current periods.

MUTHOOT FINCORP LTD. ★ PUNNEN ROAD ★ TRIVANDRUM

On behalf of the Board of Directors

Thomas John Muthoot
Managing Director
DIN: 00011618

Thiruvananthapuram, August 13, 2024

Independent Auditors' Report

To,

THE MEMBERS OF **MUTHOOT FINCORP LIMITED**,

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying Consolidated Ind AS financial statements of **Muthoot Fincorp Limited ("the holding Company"), Muthoot Centre, TC No 14/ 2074-7, Punnen Road, Thiruvananthapuram - 695 001 and its subsidiaries (together referred as "Group")** which comprise the Consolidated Balance Sheet as at 31st March, 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of changes in equity and the Consolidated Statement of cash flows for the year then ended, including the notes to the Consolidated Ind AS Financial Statements, a summary of significant accounting policies and other explanatory information. [hereinafter referred to as "Consolidated Ind AS Financial Statements"]

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the Consolidated state of affairs of the Group as at 31st March, 2024, and its Consolidated profit including other Comprehensive Income, Consolidated Changes in equity and Consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities 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 Ind AS 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

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believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS 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.

For each matter below, our description of how our audit addressed the matter is provided in that context. We have determined the matters described below to be the Key Audit matters to be communicated in our report.

Key Audit Matters	How it's been addressed in Audit
a.) Completeness in identification and disclosure of related party transactions in accordance with the applicable reporting framework.	We have accessed the laid down systems and processes of the Holding Company in identifying related party transactions and its ultimate disclosure in the Consolidated Ind AS financial statements in accordance with the applicable reporting framework. We have designed the audit procedures in accordance with the guidelines prescribed in Standard on Auditing (SA 550) to identify the risks of material misstatement arising from an entity's failure to appropriately account for or disclose material related party transactions. We have also reviewed the minutes of meetings of the board of the Holding Company in the course of the audit to identify any transactions that may require disclosure in accordance with the applicable reporting framework.
b.) Effectiveness of IT Systems and related controls.	Due to the automated controls and high degree of dependence in information systems, there is a risk that the financial accounting and reporting records may be misstated in case of any control lapses in the IT system related controls. We have

	designed our audit procedures in accordance with the guidelines laid down in the Standard on Auditing (SA 530) and tested the controls in the Information Technology Systems of Holding Company on a sample basis which has an impact on the financial accounting and reporting records. We have also tested on a sample basis the controls related to access management including user rights in passing entries, approval for authorizing entries, authorization for reversing entries, segregation of duties, system password protection, external software/hardware access rights etc of the Holding Company. We have relied upon the work done by auditors of Subsidiary Companies (SA 600) regarding IT systems and controls. Based on the audit report issued by other auditors, no material weakness was identified in the IT related systems and controls of the subsidiaries.
c.) Accuracy, completeness and correctness of accounting and related controls maintained at the entity's branches.	At the branch level, entries related to daily operations are passed. We have addressed this as a key audit matter since any control lapses in the branch level accounting may result in the financial accounting and reporting records of the entity being misstated. We have conducted physical visits to key branches of holding company and central loan processing hub of the holding Company which are considered top based on the significant gold loan and unsecured loan portfolio to identify and evaluate the effectiveness of controls in place .We have also tested on a sample basis the independent financial records maintained at the branch level of the holding company and how the same is considered and incorporated in the Consolidated Ind AS financial statements. We have also assessed and analyzed the internal audit reports of holding company and how the major observations are dealt with and its impact on the Holding

RANGAMANI & CO CHARTERED ACCOUNTANTS ALLEPPEY

	Company's financial accounting and reporting records. We have relied upon the work done by auditors of Subsidiary Companies (SA 600) regarding Accuracy, completeness and correctness of accounting and related controls maintained at the Subsidiary Companies' branches. Based on the audit report issued by auditors of subsidiaries, no major weaknesses were identified.
d.) Computation of provision towards impairment of loan assets. As at 31st March 2024, the Group had reported a total impairment loss allowance of 49,932.15 lakhs (31st March 2023 - Rs. 54,978.75 lakhs) A significant degree of judgment is required to determine the timing and amount of Impairment loss allowance to be recognized with respect to loan assets. Based on our risk assessment, the following are the significant judgments and estimates, that impact impairment loss allowance: - Completeness and timing of recognition of default, in accordance with the prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Loan Assets; - Measurement of provision is dependent on the probability of default (PD) and loss given default (LGD) of each category of loan asset. Identification of PD and LGD involves significant judgments and estimates related to forward looking information.	The audit procedures performed for the holding Company, among others, included: -Considering the board policies and processes for NPA identification and assessing compliance with the RBI norms. -Understanding, evaluating and testing the design and effectiveness of key controls around identification of impaired accounts. -Performing other procedures including substantive audit procedures covering the identification of NPAs such as: • Reading account statements and related information of the borrowers on a sample basis. • Performing inquiries with credit and risk departments to ascertain if there were indicators of stress or an occurrence of an event of default in a particular loan account or any product category which needed to be considered as NPA. • Holding discussions with the management on sectors where there is perceived credit risk and the steps taken to mitigate the risks to identified sectors.

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

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

Our opinion on the Consolidated Ind AS 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 Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and those charged with governance for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Consolidated Ind AS financial statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance, Consolidated changes in equity and Consolidated cash flows of the Group including its Associates and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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 and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS 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 Ind AS 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 Ind AS 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 controls 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 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 Group and its associates and jointly controlled entities 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 Ind AS 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 and its associates and jointly controlled entities to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Ind AS financial statements, including the disclosures, and whether the Consolidated Ind AS 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 and its associates and jointly controlled entities 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 included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Holding Company 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 the subsidiaries, whose financial statements reflect total assets of Rs.13,89,207.80 lakhs as at 31st March, 2024, total revenues of Rs. 2,60,099.19 lakhs and net cash flows amounting to Rs.31,142.77 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements.

(b) This financial statements / financial information has been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit 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;

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other Comprehensive Income), the Consolidated Statement of changes in equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated financial statement;

   d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued thereunder.

   e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2024 taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies, incorporated in India is disqualified as on 31st March, 2024 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 Group and the operating effectiveness of such controls, refer our separate Report in "**Annexure A**".

   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.

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

i. The Consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts as at 31 March 2024.

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 subsidiaries.

iv. a) The respective Managements of the Holding Company and its subsidiaries, which are Companies incorporated in India, whose financial statements have been audited under the Act, has represented to us and to the other auditors of such subsidiaries that, to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries, to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries, ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective Management of the Holding Company and its subsidiaries, which are Companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries, to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been received by the Holding Company or any of such subsidiaries, from any person or entity, including foreign entity ('Funding Parties") with the understanding, whether recorded in writing or otherwise that the Holding Company or any of such subsidiaries shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the

Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us on the Holding Company and that performed by the auditors of the subsidiaries, which are Companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The dividend declared and paid during the year by the Holding Company is in compliance with Section 123 of the Act.

vi. Based on our examination which included test checks, the Group has used an accounting software for maintaining its books of accounts for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Refer Note No.50 to the consolidated financial statements.
As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1,2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the Financial Year ended March 31,2024.

For Rangamani & Co.
Chartered Accountants,
ICAI FRN: 003052S

R. Krishnan
(Partner)
M.No.025927

UDIN: 24025927BKCRMY1853

Place: Thiruvananthapuram
Date: 20.05.2024

For Krishnan Retna & Associates
Chartered Accountants,
ICAI FRN: 001536S

Nikhil R Kumar
(Partner)
M.No. 231162

UDIN: 24231162BKESUV2120

Place: Thiruvananthapuram
Date: 20.05.2024

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ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph 1(f) under 'Report on other Legal and Regulatory Requirements' of the Independent Auditors' Report of even date to the members of Muthoot Fincorp Limited on the Consolidated Ind AS Financial Statements as of and for the year ended 31st March 2024.

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 March 31, 2024, we have audited the internal financial controls over financial reporting of **Muthoot Fincorp Limited** (hereinafter referred to as "the Holding Company") and its subsidiary companies, which includes internal financial controls over financial reporting of the Company and its subsidiaries.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, 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. These responsibilities include 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both issued by the ICAI and deemed to be prescribed under section 143(10) of the Companies Act 2013, to the extent applicable to an audit of internal financial controls. 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.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies are sufficient and appropriate to provide a basis for our audit opinion on the Group'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 and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Holding Company and its subsidiary companies, 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 March 31,2024 based on the criteria for internal financial control over financial reporting established by the respective

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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 in so far as it relates to the subsidiary companies are based solely on the corresponding reports of the auditors of such company.

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

For Rangamani & Co.,
Chartered Accountants,
ICAI FRN:003052S

R. Krishnan
(Partner)
M.No. 025927
UDIN: 24025927BKCRMY1853

Place: Thiruvananthapuram
Date: 20.05.2024

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For Krishnan Retna & Associates
Chartered Accountants,
ICAI FRN:001536S

Nikhil R Kumar
(Partner)
M.No. 231162
UDIN: 24231162BKESUV2120

Place: Thiruvananthapuram
Date: 20.05.2024

Muthoot FinCorp Limited

Consolidated Balance Sheet as at 31st March 2024

(Amount in INR Lakhs, except share data and unless otherwise stated)

Particulars	Note	As at 31st March 2024	As at 31st March 2023
ASSETS			
Financial assets			
Cash and cash equivalents	5	2,41,911.80	3,35,294.75
Bank Balance other cash and cash equivalent	6	77,408.22	57,793.13
Receivables	7		
Trade Receivables		3,628.54	3,128.49
Loans	8	32,85,997.82	25,72,903.90
Investments	9	17,327.08	15,231.46
Other Financial assets	10	42,734.58	22,619.16
Non-financial Assets			
Current tax assets (net)		3,285.74	1,249.67
Deferred tax assets (net)	36	14,154.78	13,547.86
Investment Property	11	26,119.76	26,119.76
Property, Plant and Equipment	12	47,751.65	45,646.57
Intangible assets under development	13	691.44	880.25
Other Intangible assets	13	2,854.88	1,731.77
Right-of-use assets	14	97,946.96	91,867.68
Other non financial assets	15	8,600.30	25,446.36
Total assets		**38,70,413.55**	**32,13,460.81**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Derivative Financial Liability	16	239.64	89.19
Payables	17		
(I) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises		15.00	18.22
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		545.29	535.71
(II) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises		799.49	813.40
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		5,124.54	4,797.02
Debt Securities	18	3,83,276.28	4,41,658.04
Borrowings (other than debt securities)	19	24,64,326.19	18,94,542.99
Lease Liability	14	1,12,786.57	1,02,702.92
Subordinated Liabilities	20	2,14,117.72	2,27,858.69
Other Financial liabilities	21	92,629.70	1,01,203.58
Non-financial Liabilities			
Current tax liabilities (net)		-	2,305.00
Provisions	22	3,594.32	1,619.57
Deferred tax liabilities (net)	36	8,143.40	6,122.67
Other non-financial liabilities	23	5,169.67	3,475.45
Equity			
Equity share capital	24	19,370.56	19,370.56
Other equity	25	4,13,996.25	3,53,987.04
Equity attributable to equity holders of the parent		4,33,366.81	3,73,357.60
Non-controlling interest		1,46,278.92	52,360.77
Total Equity		5,79,645.73	4,25,718.37
Total Liabilities and Equity		**38,70,413.55**	**32,13,460.81**

See accompanying summary of material accounting policies 1 to 4

In terms of our joint report of even date attached

For Rangamani & Co.
Chartered Accountants
Firm Regn. No. 003052S

CA. Krishnan R
Partner
Membership No.025927
Place: Thiruvananthapuram

For Krishnan Retna & Associates
Chartered Accountants
Firm Regn. No. 001536S

CA. Nikhil R Kumar
Partner
Membership No.231162
Place: Thiruvananthapuram

For and on behalf of the Board of Directors,

Thomas John Muthoot
Managing Director
DIN: 00011618
Place: Thiruvananthapuram

Thomas George Muthoot
Director
DIN: 00011552
Place: Thiruvananthapuram

Thomas Muthoot
Executive Director and Chief Financial Officer
DIN: 00082099
Place: Boston, USA

Sachu Sivas
Company Secretary
Place: Thiruvananthapuram

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

Date: May 20, 2024

MUTHOOT FINCORP LTD. PUNNEN ROAD

Muthoot FinCorp Limited
Consolidated statement of Profit and Loss for the year ended 31st March 2024
(Amount in INR Lakhs, except share data and unless otherwise stated)

Particulars	Notes	For the year ended 31st March 2024	For the year ended 31st March 2023
Revenue from operations			
Interest income	26	5,98,403.44	4,82,757.07
Dividend income		21.34	21.29
Rental income		533.43	469.96
Fees and commission income		21,211.53	12,845.63
Net Gain on fair value changes	27	30,551.52	11,064.95
Sale of service		108.29	92.54
Others	28	7,140.25	5,737.27
Total Revenue from operations		**6,57,969.80**	**5,12,988.70**
Other Income	29	481.84	2,143.83
Total Income		**6,58,451.64**	**5,15,132.53**
Expenses			
Finance costs	30	2,82,808.74	2,23,251.68
Fees and commission expenses		2,167.57	2,252.54
Impairment on financial instruments	31	21,079.77	28,808.90
Employee benefits expenses	32	1,32,851.77	98,739.11
Depreciation, amortization and impairment	33	24,489.03	21,627.70
Other expenses	34	53,400.54	53,222.07
Total Expenses		**5,16,797.41**	**4,27,901.99**
Profit before tax		**1,41,654.23**	**87,230.54**
Tax Expense:	36		
(1) Current tax		35,810.60	25,252.16
(2) Deferred tax charge / (credit)		908.71	(2,663.94)
(3) Tax relating to prior years		137.17	-
Profit for the year		**1,04,797.75**	**64,642.33**
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit liabilities		(808.12)	(154.93)
Net gain / (loss) on equity instruments measured through other comprehensive income		617.22	(513.48)
Cost of Hedging		8.50	(38.06)
(ii) Income tax relating to items that will not be reclassified to profit or loss		46.11	177.86
Subtotal (A)		(136.29)	(528.61)
(i) Items that will be reclassified to profit or loss			
Remeasurement of loan assets		2,188.14	5,488.45
Cash Flow Hedging Reserve		2.06	(2.05)
(ii) Income tax relating to items that will be reclassified to profit or loss		(551.28)	(1,380.92)
Subtotal (B)		1,638.93	4,105.47
Other Comprehensive Income (A+B)		**1,502.64**	**3,576.86**
Total Comprehensive Income for the year		**1,06,300.39**	**68,219.18**
Profit for the year attributable to			
Equity holders of the parent		88,493.87	58,877.43
Non-controlling interest		16,303.88	5,764.90
Total Comprehensive income for the year, net of tax			
Equity holders of the parent		89,527.36	61,198.89
Non-controlling interest		16,773.03	7,020.30
Earnings per equity share	35		
Basic (INR)		45.68	30.40
Diluted (INR)		43.98	29.26

See accompanying summary of material accounting policies 1 to 4

In terms of our joint report of even date attached

For Rangamani & Co.
Chartered Accountants
Firm Regn. No. 003052S

CA. Krishnan R
Partner
Membership No.025927
Place: Thiruvananthapuram

For Krishnan Retna & Associates
Chartered Accountants
Firm Regn. No. 001536S

CA. Nikhil R Kumar
Partner
Membership No.231162
Place: Thiruvananthapuram

For and on behalf of the Board of Directors,

Thomas John Muthoot
Managing Director
DIN: 00011618
Place: Thiruvananthapuram

Thomas George Muthoot
Director
DIN: 00011552
Place: Thiruvananthapuram

Thomas Muthoot
Executive Director & Chief Financial Officer
DIN: 00082099
Place: Boston, USA

Sachu Sivas
Company Secretary
Place: Thiruvananthapuram

RANGAMANI & Co. Date: May 20, 2024 CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

Muthoot FinCorp Limited
Consolidated cash flow statement for the year ended 31st March 2024
(Amount in Rs. Lakhs, except share data and unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A. Cash flow from operating activities		
Profit before tax	**1,41,654.23**	**87,230.54**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation on Property, plant and equipment	6,978.91	5,624.89
Depreciation on Right of Use Assets	16,631.29	15,187.34
Depreciation on intangibles	878.83	815.47
Finance Cost	2,82,808.74	2,23,251.68
Dividend Income	(21.34)	(21.29)
Income from investment	(2,649.55)	(1,463.84)
Unrealised fair value adjustments	(52.09)	88.79
Gain on sale of loan assets	(30,054.95)	(11,153.74)
Profit on sale of assets	(171.50)	(491.84)
Impairment of loan assets	(5,050.41)	7,850.67
Bad debts written off	26,130.18	23,303.70
Impairment on assets held for sale	295.22	336.37
Adjustment towards effective interest rate in respect of borrowings	(2,684.48)	(2,591.26)
Share based payments	846.70	428.10
Operating Profit Before Working Capital Changes	**4,35,539.77**	**3,48,395.57**
Adjustments for Working capital changes:		
(Increase)/Decrease in trade receivables	(500.05)	(6,030.30)
(Increase)/Decrease in Bank balances other than cash and cash equivalents	(601.26)	(237.46)
(Increase)/Decrease in loan assets	(7,31,985.54)	(3,18,661.95)
(Increase)/Decrease in other financial assets	9,691.87	(3,513.89)
(Increase)/Decrease in other non financial assets	16,535.84	2,989.46
Increase/(Decrease) in trade and other payables	319.98	39.97
Increase/(Decrease) in other financial liabilities	(1,891.73)	5,076.04
Increase/(Decrease) in other non financial liabilities	1,694.22	1,159.05
Increase/(Decrease) in provisions	1,166.63	583.95
Operating profit before tax	**(2,70,030.28)**	**29,800.44**
Finance Cost Paid	(2,78,338.81)	(2,09,157.07)
Taxes paid	(40,288.83)	(17,057.38)
Net cash used in operating activities	**(5,88,657.93)**	**(1,96,414.01)**
B. Cash flow from Investing activities		
Sale / Redemption of investments	2,840.32	54,046.60
Fresh investments made	(6,846.00)	(82,313.63)
Purchase of property, plant and equipment, Intangibles	(10,908.35)	(9,909.54)
Sale of property, plant and equipment & investment property	14.04	5,165.00
Increase in fixed deposit	(19,310.32)	(14,960.25)
Dividend income	21.34	21.29
Income from investment	2,649.55	1,463.84
Net cash used in investing activities	**(31,539.41)**	**(46,486.68)**
C. Cash flow from Financing activities		
Redemption of debt securities	(58,913.96)	(6,198.72)
Proceeds from issue of equity shares by subsidiary to minority	76,000.00	-
Share issue expenses	(5,498.09)	-
Funds borrowed	5,72,160.01	2,95,485.68
Repayments of subordinated liability	(12,901.09)	(12,095.29)
Payment of lease liability	(23,360.13)	(21,067.96)
Payment of dividend	(20,881.46)	(1,355.94)
Proceeds from issue of equity shares for ESOP	-	2,721.58
Proceeds from issue of preference shares	-	8,181.25
Proceeds from treasury shares	209.11	(2,721.58)
Net cash flows from financing activities	**5,26,814.39**	**2,62,949.00**
D Net increase / (decrease) in cash and cash equivalents	**(93,382.95)**	**20,048.32**
Net cash and cash equivalents at beginning of the year	3,35,294.75	3,15,246.43
Cash and cash equivalents at 31st March 2024 / 31st March 2023	**2,41,911.80**	**3,35,294.75**

See accompanying summary of material accounting policies

In terms of our joint report of even date attached

For Rangamani & Co.
Chartered Accountants
Firm Regn. No. 003052S

CA. Krishnan R
Partner
Membership No.025927
Place: Thiruvananthapuram

For Krishnan Retna & Associates
Chartered Accountants
Firm Regn. No. 001536S

CA. Nikhil R Kumar
Partner
Membership No.231162
Place: Thiruvananthapuram

RANGAMANI & Co.
Date: May 20, 2024
CHARTERED ACCOUNTANTS
ALLEPPEY

For and on behalf of the Board of Directors,

Thomas John Muthoot
Managing Director
DIN: 00011618
Place: Thiruvananthapuram

Thomas George Muthoot
Director
DIN: 00011552
Place: Thiruvananthapuram

Thomas Muthoot
Executive Director and
Chief Financial Officer
DIN: 00082099
Place: Boston, USA

Sachu Sivas
Company Secretary
Place: Thiruvananthapuram

MUTHOOT FINCORP LTD.
PUNNEN ROAD
TRIVANDRUM

Muthoot FinCorp Limited
Consolidated statement of changes in equity for the year ended 31st March 2024
(Amount in INR Lakhs, except share data and unless otherwise stated)

A. Equity Share Capital
Equity shares of INR 10/- each issued, subscribed and fully paid

Particulars	No. of shares	Amount
Equity shares of INR 10 each Issued, subscribed and fully paid		
As at April 1, 2022	19,37,05,560.00	19,370.56
Issued during the year	-	-
As at March 31, 2023	19,37,05,560.00	19,370.56
Issued during the year	-	-
As at March 31, 2024	19,37,05,560.00	19,370.56

B. Other Equity

Particulars	Reserves and Surplus							Other Comprehensive Income						
	Securities Premium Reserve	Statutory Reserve (Pursuant to Section 45-IC of the RBI Act 1934)	Statutory Reserve (Pursuant to Section 29C of the NHB Act 1987)	Retained Earnings	General Reserve	Treasury shares	Employee stock options outstanding	Equity Instruments through Other Comprehensive Income	Actuarial valuation of gratuity impact through Other Comprehensive Income	Changes in value of forward element of forward contract / gain/(loss) on hedging instruments	Loan assets through other comprehensive income	Total attributable to equity holders of the parent	Total non-controlling interest	Total
Balance as on 31st March 2022	38,129.85	63,830.95	2,068.56	1,91,489.84	54.60	-	296.38	(1,566.01)	13.27	-	5,091.53	2,99,408.97	54,336.53	3,53,745.50
Profit for the year	-	-	-	58,877.43	-	-	-	-	-	-	-	58,877.43	5,764.90	64,642.33
Other Comprehensive Income (net of taxes)	-	-	-	-	-	-	-	(384.21)	(61.78)	(28.22)	2,791.68	2,321.46	1,255.39	3,576.85
Changes during the year in employee stock options outstanding	-	-	-	-	(0.03)	-	434.17	-	-	-	-	428.13	-	428.13
Proceeds on transfer during the year	-	-	-	(2,721.58)	-	-	-	-	-	-	-	(2,721.58)	-	(2,721.58)
Transfer to Reserves u/s. 45-IC of RBI Act, 1934	-	12,473.97	-	(12,473.97)	-	-	-	-	-	-	-	-	-	-
Transfer to Reserves u/s. 29-C of NHB Act, 1987	-	-	550.00	(550.00)	-	-	-	-	-	-	-	-	-	-
Dividend Paid	-	-	-	(1,355.94)	-	-	-	-	-	-	-	(1,355.94)	-	(1,355.94)
Tax relating to prior years	-	-	-	354.76	-	-	-	-	-	-	-	354.76	-	354.76
Purchase of shares of subsidiary	-	-	-	(3,326.19)	-	-	-	-	-	-	-	(3,326.19)	(19,898.81)	(23,225.00)
Proceeds on issue of Equity shares	-	-	-	-	-	-	-	-	-	-	-	-	2,721.57	2,721.57
Proceeds on issue of Compulsorily Convertible Preference Sha	-	-	-	-	-	-	-	-	-	-	-	-	8,181.19	8,181.19
Balance as on 31st March 2023	38,129.85	76,304.92	2,618.56	2,30,294.36	48.56	-	730.55	(1,950.22)	(48.51)	(24.22)	7,883.21	3,53,987.04	52,360.77	4,06,347.81
Profit for the year	-	-	-	88,493.87	-	-	-	-	-	-	-	88,493.87	16,303.88	1,04,797.75
Other Comprehensive Income (net of taxes)	-	-	-	-	-	-	-	451.89	(503.20)	6.35	1,068.44	1,033.49	469.16	1,502.64
Changes during the year in employee stock options outstanding	-	-	-	-	(123.97)	-	970.67	-	-	-	-	846.70	-	846.70
Proceeds on transfer during the year	-	-	-	209.14	-	-	-	-	-	-	-	209.14	-	209.14
Transfer to Reserves u/s. 45-IC of RBI Act, 1934	-	20,247.79	-	(20,247.79)	-	-	-	-	-	-	-	-	-	-
Transfer to Reserves u/s. 29-C of NHB Act, 1987	-	-	700.00	(700.00)	-	-	-	-	-	-	-	-	-	-
Dividend Paid	-	-	-	(20,881.46)	-	-	-	-	-	-	-	(20,881.46)	-	(20,881.46)
Purchase of shares of subsidiary	-	-	-	(3,778.36)	-	-	-	-	-	-	-	(3,778.36)	729.07	(3,049.29)
Proceeds on issue of Equity shares by subsidiary (net of share issue expenses)	-	-	-	(5,498.13)	-	-	-	-	-	-	-	(5,498.13)	76,000.00	70,501.87
Conversion of compulsorily convertible preference shares by subsidiary	-	-	-	(416.05)	-	-	-	-	-	-	-	(416.05)	416.05	-
Balance as on 31st March 2024	38,129.85	96,552.71	3,318.56	2,67,475.57	(75.42)	-	1,701.22	(1,498.33)	(551.71)	(17.87)	8,951.65	4,13,996.25	1,46,278.92	5,60,275.17

See accompanying summary of material accounting policies

In terms of our joint report of even date attached

For Rangamani & Co.
Chartered Accountants
Firm Regn. No. 003052S

CA. Krishnan R
Partner
Membership No.025927
Place: Thiruvananthapuram

Date: May 30, 2024

For Krishnan Retna & Associates
Chartered Accountants
Firm Regn. No. 001536S

CA. Nikhil R Kumar
Partner
Membership No.231162
Place: Thiruvananthapuram

For and on behalf of the Board of Directors,

Thomas John Muthoot
Managing Director
DIN: 00011618
Place: Thiruvananthapuram

Thomas George Muthoot
Director
DIN: 00011552
Place: Thiruvananthapuram

Thomas Muthoot
Executive Director and
Chief Financial Officer
DIN: 00082099
Place: Boston, USA

Sachu Sivas
Company Secretary
Place: Thiruvananthapuram

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

Muthoot FinCorp Limited
Notes forming part of consolidated financial statements

Material Accounting Policies

1. Corporate Information

Muthoot FinCorp Limited, (the Company), is a Public Limited Company, incorporated on June 10, 1997 under the provisions of Companies Act, 1956. The company is a Non-Deposit Accepting Non-Banking Financial Company (NBFC) registered with Reserve Bank of India (RBI) and was classified as a Non Deposit Taking Systemically Important Loan Company (NDSI). Based on the RBI notification RBI/2021-22/112 DOR.CRE.REC.No.60/03.10.001/2021-22, dated October 22, 2021, the Company is classified as NBFC - Middle Layer (NBFC-ML) under the Scale Based Regulation for Non-Banking Financial Companies.

Muthoot FinCorp Limited, the flagship company of the Muthoot Pappachan Group, provides a diverse mix of retail offerings catering to the various needs of its customers and is primarily engaged in business of Gold, SME Loans, Personal Loans and Loans against Property through its branch network across India. The company also offers Forex Services, Money Transfer Services and Wealth Management Services to its customers in its strive to be the most trusted financial service provider. The company is engaged in real estate business to a very limited extent. The Company's registered office is at Muthoot Centre, TC No 27/ 3022 Punnen Road, Thiruvananthapuram, Kerala, India, 695001. The Registration details of the Company are as follows:
Corporate Identity Number (CIN): U65929KL1997PLC011518
Reserve Bank of India Registration no.: N - 16.00170

The Company has 3 subsidiaries, Muthoot Housing Finance Company Limited (or "MHFCL" or "Muthoot Housing"), Muthoot Pappachan Technologies Limited (or "MPT") and Muthoot Microfin Limited (or "MML" or "Muthoot Microfin") (formerly known as Pancharatna Securities Limited), which are incorporated in India. The Parent Company along with its subsidiaries are referred to as "Group".

Muthoot Housing Finance Company Limited (MHFCL) is a public company domiciled in India and incorporated under provision of the Companies Act, 1956 having Corporate Identity Number (CIN) - U65922KL2010PLC025624, registered with the National Housing Bank ("NHB") under Section 29 A of the National Housing Bank Act, 1987 and primarily engaged in housing finance activities. The company was incorporated on 05th March 2010, and received the Certificate of Registration from the NHB on 11th February 2011, enabling the company to carry on business as a Housing Finance Company without accepting Public Deposits. The Company received its Certificate of Commencement of Business on 1st June 2011.

Muthoot Pappachan Technologies Private Limited (MPT) having Corporate Identity Number (CIN) - U72200KL2012PLC032664 was initially registered as a Private Limited Company on 16th November 2012. Later, it was converted to Muthoot Pappachan Technologies Limited on 5th July 2013. Based in the Technopark campus at Thiruvananthapuram, the company provides consulting-led integrated portfolio of Information Technology (IT) and IT enabled services to its clients. The company in short, aims at providing software solution as service to its customers.

Muthoot Microfin Limited (MML) was incorporated as a Private Limited Company in the year 1992 under the erstwhile Companies Act, 1956 having Corporate Identity Number (CIN) - L65190MH1992PLC066228. Effective from 18 March 1998, the Company was registered as a non-deposit accepting Non-Banking Financial Company (NBFC-ND) under the rules and regulations framed by the Reserve Bank of India. The company has obtained registration under the category of Non-Banking Financial Company – Micro Finance Institutions (NBFC-MFI) w.e.f. 25 March 2015. The operations of the Company are based on the Grameen model of lending. It is designed to promote entrepreneurship among women and inclusive growth. The Company provides financial assistance through micro loans to women engaged in small income generating activities. During the year ended March 31, 2024, MML has completed Initial Public Offer (IPO) of its shares. Pursuant to IPO, its shares were listed on National Stock Exchange (NSE) and BSE Limited (BSE) on December 26, 2023.

2. Basis of preparation

2.1 Statement of Compliance

The consolidated financial statements (CFS) 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) and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

Act, the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions') issued by RBI and National Housing Bank Guidelines/Regulations ('NHB directions') and notification for Implementation of Indian Accounting Standard vide circular RBI/2019-20/170 DOR(NBFC).CC.PD. No.109/22.10.106/2019-20 dated 13 March 2020 ('RBI Notification for Implementation of Ind AS') issued by RBI to the extent applicable.

The financial statements are prepared on a going concern basis, as the Management is satisfied that the Group shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption.

2.2 Presentation of financial Statements

The Group presents its Balance Sheet in order of liquidity. The Group prepares and presents its Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the format prescribed by Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 'Statement of Cash Flows'.

The Group generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only when Ind AS specifically permits the same or it has an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event. Similarly, the Group offsets incomes and expenses and reports the same on a net basis when permitted by Ind AS specifically unless they are material in nature.

2.3 Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Parent Company and all its subsidiaries, being the entities that it controls from the date control is gained. Control is evidenced where the investor 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. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity's returns. The financial statements of subsidiaries are prepared for the same reporting year as the Parent Company. Where necessary, adjustments are made to the financial statements of subsidiaries to align the accounting policies in line with accounting policies of the Parent Company.

These consolidated financial statements are prepared on the following basis in accordance with Ind AS 110 on "Consolidated Financial Statements" specified under Section 133 of the Act. Following subsidiary companies have been considered in the preparation of the consolidated financial statements:

Name of the Company	Country of incorporation	Consolidated as	% equity shareholding of MFL (Current Year)	% equity shareholding of MFL (Previous Year)
Muthoot Housing Finance Company Limited	India	Subsidiary	81.71%	80.66%
Muthoot Pappachan Technologies Limited	India	Subsidiary	60.00%	60.00%
Muthoot Microfin Limited	India	Subsidiary	50.21%	72.36%

i) **Subsidiaries**
Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which controls commences until the date on which control ceases.

ii) **Non-controlling interest ("NCI")**
NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

RANGAMANI & CO. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

iii) **Loss of control**

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other component of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in the statement of profit and loss.

iv) **Transactions eliminated on consolidation**

The financial statements of the Holding Company and its subsidiary used in the consolidation procedure are drawn up to the same reporting date i.e. March 31, 2024. The financial statements of the Holding Company and its subsidiary are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses. Intra-group balances and transactions, and unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment. The Group follows uniform accounting policies for like transactions and other events in similar circumstances. For additional information as required by Paragraph 2 of the General Instructions for preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013, refer Note 51.

2.4 Basis of measurement

The financial statements have been prepared on a historical cost basis, except for following assets and liabilities which have been measured at fair value:

i) Investments in equity instruments at fair value through other comprehensive income (FVTOCI)
ii) Financial assets and liabilities designated at fair value through profit or loss (FVTPL)
iii) Financial assets measured at fair value through other comprehensive income (FVTOCI)
iv) Investments which are held for trading
v) Assets held for sale are measured at fair value less cost to sell or carrying value whichever is lower
vi) Defined benefit plans.
vii) Derivative Financial Instruments

2.5 Functional and presentation currency

The financial statements are presented in Indian Rupees (INR) which is also functional currency of the Group and the currency of the primary economic environment in which the Group operates. All values are rounded to the nearest lakhs, except when otherwise indicated.

3. Material accounting policies

3.1 Recognition of 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.

3.2. Recognition of revenue from sale of goods and services

Revenue (other than for financial instruments) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

The Group recognises revenue from contracts with customers based on a five-step model as set out in Ind 115:

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD PUNNEN ROAD TRIVANDRUM

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.

Revenue from contract with customer for rendering services is recognised at a point in time when performance obligation is satisfied.

3.2.1 Dividend income

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

3.2.2 Income from assignment transactions

Gains arising out of direct assignment transactions comprise the difference between the interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee, also known as the excess interest spread (EIS).In accordance with Ind AS 109 and as per management practice, in case of assignment transactions with complete transfer of risks and rewards without any retention of residual interest, gain arising on such assignment transactions is recorded upfront in the Statement of Profit and Loss and the corresponding asset is derecognized from the Balance Sheet immediately upon execution of such transaction. Further, where the transfer of financial asset qualifies for derecognition in its entirety, the whole of the interest spread at its present value (discounted over the life of the asset) is recognized on the date of derecognition itself as receivable towards assignment transactions and correspondingly recognized as gain on sale of loan assets.

3.2.3 Rental Income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in rental income in the statement of profit and loss, unless the increase is in line with expected general inflation, in which case lease income is recognised based on contractual terms.

3.2.4 Fees and commission income

Fees and commission income such as service charges, commission from fee-based business lines, service income etc. are recognised on point in time basis.

3.2.5 Miscellaneous Income

All other income is recognized on an accrual basis, when there is no uncertainty in the ultimate realization/collection.

3.3 Financial instruments

A. Financial Asset

3.3.1 Initial recognition

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

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Loans are recognised when funds are transferred to the customers' account. Investments are recognised on the date when the Company becomes party to the contractual provisions. The Group recognises debt securities, deposits and borrowings when funds reach the Group and post allotment, where applicable.

3.3.2 Initial and subsequent measurement of financial instruments

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

1. Debt instruments at amortised cost
2. Debt instruments at fair value through other comprehensive income (FVTOCI).
3. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL).
4. Equity instruments measured at fair value through other comprehensive income FVTOCI.

The classification depends on the contractual terms of the financial assets' cash flows and the Group's business model for managing financial assets which are explained below:

Business model assessment

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 Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed
- How managers of the business are compensated (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 sales are also important aspects of the Group's assessment.
- The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The SPPI test

As a second step of its classification process, the Group assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

In making this assessment, the 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.

3.3.3 Financial assets measured at amortised cost

A 'debt instrument' is measured at amortised cost if both the following conditions are met:

a. The financial asset is held within a business model with the objective to hold financial assets to collect contractual cash flows and

b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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After initial measurement at fair value plus directly attributable costs, these financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the profit or loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in statement of profit and loss.

3.3.4 Financial assets measured at fair value through other comprehensive income

A 'debt instrument' is measured at fair value through other comprehensive income if both the following conditions are met:

a. The financial asset is held within a business model with the objective to hold financial assets to collect contractual cash flows and selling the assets and

b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

Debt instruments included within the FVTOCI category are measured at each reporting date at fair value with such changes being recognised in other comprehensive income (OCI). The interest income on these assets is recognised in profit or loss. 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 income statement.

3.3.5 Financial Instrument measured at fair value through profit or loss

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition, if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Group's investment is classified as FVTPL, if it is acquired or incurred principally for the purpose of 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.

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

3.3.6 Equity instruments

The Group subsequently measures investment in equity investments at fair value through profit or loss, unless the Group's management has elected to classify irrevocably some of its equity investments as equity instruments at FVTOCI, when such instruments meet the definition of Equity under Ind AS 32 *Financial Instruments: Presentation* and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments classified at FVTOCI are never recycled to profit or loss. Dividends are recognised in profit or loss as dividend income when the right of the payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI.

B. Financial Liabilities

Initial recognition and measurement

All financial liabilities are initially recognised at fair value. Transaction cost that are directly attributable to the acquisition or the issue of financial liability, which are not at fair value through profit or loss, are adjusted to fair value at initial recognition.

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Subsequent measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

3.4 Derecognition of financial assets and liabilities

3.4.1 Financial Asset

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Group has transferred the financial asset if, and only if, either:

a) The Group has transferred its contractual rights to receive cash flows from the financial asset

or

b) It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement

Pass-through arrangements are transactions whereby the Group retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- The Group cannot sell or pledge the original asset other than as security to the eventual recipients
- The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Group has transferred substantially all the risks and rewards of the asset or
- The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

3.4.2 Financial Liability

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

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3.5 Offsetting

Financial assets and financial liabilities are generally reported gross in the balance sheet. Financial assets and liabilities are offset, and the net amount is presented in the balance sheet when the Group has a legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously in all the following circumstances:

a. The normal course of business
b. The event of default
c. The event of insolvency or bankruptcy of the Group and/or its counter parties.

3.6 Impairment of financial assets

3.6.1 Overview of the Expected Credit Loss (ECL) principles

The Group has created provisions on all financial assets except for financial assets classified as FVTPL, based on the expected credit loss method. The Group also ensures maintaining the minimum provision requirement as per RBI and NHB regulations.

The ECL provision is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on financial assets that are possible within the 12 months after the reporting date.

The Group performs an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Group categorises its loans into three stages as described below:

<u>For non-impaired financial instruments</u>

- Stage 1 is comprised of all non-impaired financial instruments which have not experienced a significant increase in credit risk (SICR) since initial recognition. A 12-month ECL provision is made for stage 1 financial instruments. In assessing whether credit risk has increased significantly, the Group compares the risk of a default occurring on the financial instrument as at the reporting date, with the risk of a default occurring on the financial instrument as at the date of initial recognition.

- Stage 2 is comprised of all non-impaired financial instruments which have experienced a SICR since initial recognition. The Group recognises lifetime ECL for stage 2 financial instruments. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a SICR since initial recognition, then entities recognize 12 months of ECL.

<u>For impaired financial instruments:</u>

Financial instruments are classified as stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a loan or a portfolio of loans. The Group recognises lifetime ECL for impaired financial instruments.

3.6.2 The calculation of ECLs

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon.

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. PD is calculated using Incremental NPA approach considering fresh slippage using historical information. Where historical information is not available for arriving at reasonable default probability, published probability of default for similar loan segments are used.

Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether

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scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

Loss Given Default (LGD) – The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive. The Group uses computed discounted recoveries in NPA accounts that are closed during the year where historical information is available and uses Foundational Internal Ratings Based approach (FIRB) norms in the absence of sufficient historical trends.

Forward looking information

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

Write-offs

Loans are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when it is determined that the customer 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.

Collateral

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as gold, cash, securities, letters of credit/guarantees, stock, current asset etc. However, the fair value of collateral affects the calculation of ECLs. The fair value of the same is based on data provided by third party or management judgements.

Impairment of Trade receivables

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables.

3.7 Determination of fair value

The Group measures financial instruments such as, investments at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability, or
ii. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, if market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which enough data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

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Level 1 financial instruments – Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments – Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Group will classify the instruments as Level 3.

Level 3 financial instruments – Those that include one or more unobservable input that is significant to the measurement as whole.

3.8 Foreign Currency translation

Transactions in foreign currencies are initially recorded in the functional currency at the spot rate of exchange ruling at the date of the transaction. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the spot rate of exchange at the reporting date. All differences arising on non–trading activities are taken to other income/expense 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.

3.9 Finance cost

Finance costs represents interest expense recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL.

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

3.10 Other income and expenses

All Other income and expense are recognized in the period they occur.

3.11 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, short-term deposits with an original maturity of three months or less and forex balances, which are subject to an insignificant risk of changes in value.

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

3.12 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.

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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.

3.13 Depreciation

Tangible assets are stated at historical cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is charged based on a review by the management during the year and at the rates derived based on the useful lives of the assets as specified in Schedule II of the Companies Act, 2013 or estimated useful lives estimated by the respective management based on technical evaluation. The holding company and one of its subsidiaries, Muthoot Microfin Limited follow the Straight Line Method for providing depreciation whereas the two other subsidiaries follow Written Down Value Method.

Leasehold improvements and assets held under finance leases are depreciated over the shorter of lease term or their useful life. 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.

3.14 Capital work-in-progress

Capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses. Assets which are not ready for intended use are also shown under capital work-in-progress.

3.15 Intangible assets

The Group's intangible assets consist of computer software.

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.

Intangible assets are amortised by the Group over a period of 3 years, except in case of Muthoot Pappachan Technologies Limited where the computer software is amortised over a period of 10 years or over the estimated useful lives.

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.

3.16 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. Subsequent expenditure is capitalized to the assets carrying amount only when it is probable that the future economic benefit associated with the expenditure will flow to the Group.

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. The fair value of investment property is disclosed in the notes accompanying these financial statements. Fair value has been determined by an independent valuer who holds

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a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

3.17 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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 the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.18 Post-employment benefits

3.18.1 Defined contribution schemes

Contributions to the Employees Provident Fund Scheme maintained by the Central Government, Employee State Insurance Corporation (ESIC) etc. are accounted for on an accrual basis. Retirement benefit in the form of provident fund is a defined contribution scheme.

The Group has no obligation, other than the contribution payable under the schemes. The Group recognizes contribution payable to the provident fund scheme / ESIC as expenditure, when an employee renders the related service. If the contribution payable to the scheme / ESIC for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized 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 recognized as an asset.

3.18.2 Defined Benefit schemes

Gratuity

The Group provides for gratuity covering eligible employees under which a lump sum payment is paid to vested employees at retirement, death, incapacitation or termination of employment, of an amount reckoned on the respective employee's salary and his tenure of employment with the Group. The Group accounts for its liability for future gratuity benefits based on actuarial valuation determined at each Balance Sheet date by an Independent Actuary using Projected Unit Credit Method. The Group makes contributions to a Gratuity Fund administered by the Life Insurance Corporation of India.

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

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

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

3.19 Share Based Payments

The Group has formulated Employees Stock Option Schemes and Stock Appreciation Right Schemes (SAR). The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in non-financial liability and the fair value of SAR granted is recognized as an employee benefit expense having a corresponding increase in financial liability. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the group revises its estimates of the number of options that are expected to vest.

3.20 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.

3.21 Assets held for sale

Assets possessed against the settlement of loans are carried in the balance sheet at a value of outstanding principal loan amount or fair value of asset whichever is lower. In case the fair value of the asset acquired is lower than the outstanding principal loan amount; then the shortfall is to be provided for in the books of account in such financial year.

These assets are classified as 'Assets held for sale' under 'Non-financial assets' till the asset acquired is finally disposed. The outstanding overdue interest and other charges will be accounted on realization basis.

Further, if on disposal of the assets so acquired, the sale proceed is higher than the receivable amount (including outstanding loan, outstanding overdue interest, other charges and interest), then the excess will be refunded to the borrowers.

3.22 Taxes

Income tax expense represents the sum of current tax and deferred tax.

3.22.1 Current Tax

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible in accordance with applicable tax laws.

Interest income / expenses and penalties, if any, related to income tax are included in current tax expense. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the end of reporting date in India where the Group operates and generates taxable income.

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

3.22.2 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

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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.

3.22.3 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.

3.23 Contingent Liabilities and assets

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

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

3.24 Earnings 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 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.

3.25 Dividends on ordinary shares

The Group recognises a liability to make distributions to equity holders of the Group when the distribution is authorised, and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

3.26 Leases

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.

Group as a lessee
The Groups lease asset class consists of building and equipment. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an

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identified asset for a period of time in exchange for consideration. The Group has, at the date of transition, recognized a right-of use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term lease) and low value assets. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are recognized at cost, which comprises the present value of the lease liability as at the date of transition. Right-of-use assets are depreciated on a straight-line basis over the shorter of the balance lease term and useful life of the underlying asset. The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit on the lease or, if not readily determinable, using the incremental borrowing rates. Interest accrued on lease liability and lease payments made, are subsequently adjusted to the initial recognition of lease liability.

Group as a lessor

Leases where the Group does not transfer substantially all the risks and benefits incidental to ownership of the leased items are operating leases. Rental Income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in rental income in the statement of profit and loss.

3.27 Cash flow statement

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Group are segregated.

3.28 Derivative Financial Instruments

The Group enters into derivative financial instruments such as foreign exchange forward contracts to manage its exposure to foreign exchange rate risk. Derivatives are recognized at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The resulting gain/loss is recognized in the Statement of Profit and Loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedge relationship.

4. 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:

4.1 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 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.

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4.2 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 at each reporting date.

4.3 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.

4.4 Impairment of financial assets

The measurement of impairment losses across all categories of financial assets requires judgement 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 several 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.

4.5 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 lifecycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

4.6 Lease Term

- The determination of lease term for some lease contracts in which the Group is a lessee, including whether the Group is reasonably certain to exercise lessee options.
- The determination of the incremental borrowing rate used to measure lease liabilities.

4.7 Share based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

4.8 Other estimates

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

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(Amount in INR Lakhs, except share data and unless otherwise stated)

5 Cash and cash equivalents

Particulars	As at 31st March 2024	As at 31st March 2023
Cash on hand	8,537.19	9,563.12
Balances with Banks		
- in current accounts	1,49,686.03	1,40,590.57
- in deposit accounts having original maturity less than three months*	83,045.17	1,84,398.46
Others		
-Forex Balance	418.11	162.52
-Balance with cash collection agents	225.30	580.08
Total	**2,41,911.80**	**3,35,294.75**

* Includes earmarked balances of INR 3,527.93 as at 31st March 2024 (31st March 2023 - INR 4,800) towards margin money, security & debenture redemption reserve

6 Bank Balance other than cash and cash equilvalents

Particulars	As at 31st March 2024	As at 31st March 2023
Deposit with original maturity for more than three months but less than twelve months *	69,800.08	50,786.25
Balance with Banks in escrow accounts	7,608.14	7,006.88
Total	**77,408.22**	**57,793.13**

* Includes earmarked balances of INR 6,118.86 as at 31st March 2024 (31st March 2023 - INR 9,737.63) towards margin money, security, debenture redemption reserve & staff security deposits and INR 61,043.27 (31st March 2023 - INR 40,779.40) being term deposits held as pledge against borrowings and other commitments.

7 Receivables

Particulars	As at 31st March 2024	As at 31st March 2023
(I) Trade Receivables		
Receivables considered good - Unsecured		
Receivables from Money Transfer business	1,579.26	837.00
Wind Mill income receivable	1,957.47	2,241.65
Other Trade Receivables	91.81	49.84
Sub-Total	**3,628.54**	**3,128.49**
Less: Allowances for Impairment Loss	-	-
Total Net receivable	**3,628.54**	**3,128.49**

Trade receivables are non-interest bearing and are short-term in nature. These consist of receivable from Government and other parties, and does not involve any credit risk.

Ageing Schedule of Trade Receivables (At at 31st March, 2024)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables- considered good	1,812.25	176.73	1,490.00	149.56	-	3,628.54
(ii) Undisputed Trade Receivables- which have signficant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-
(iv)Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have signficant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-

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Ageing Schedule of Trade Receivables (At at 31st March, 2023)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables- considered good	1,026.60	639.68	857.39	505.18	99.64	3,128.49
(ii) Undisputed Trade Receivables- which have signficant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-
(iv)Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have signficant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-

8 Loans

Particulars	As at 31st March 2024	As at 31st March 2023
Loans (at amortised cost)		
(A)		
Retail Loans	28,07,702.46	22,36,223.69
High Value Loans	28,496.60	29,572.39
Staff Loan	65.06	78.11
Housing loans & other loans	2,02,340.02	1,46,503.52
Total (A) - Gross	**30,38,604.1400**	**24,12,377.71**
Less: Impairment loss allowance	(48,283.93)	(53,840.57)
Total (A) - Net	**29,90,320.21**	**23,58,537.14**
(B)		
Secured loans	23,76,798.18	19,08,181.72
Unsecured Loans	6,61,805.96	5,04,195.99
Total (B) - Gross	**30,38,604.14**	**24,12,377.71**
Less : Impairment loss allowance	(48,283.93)	(53,840.57)
Total (B) - Net	**29,90,320.21**	**23,58,537.14**
(C) Loans in India		
i) Public Sector	-	-
ii) Others	30,38,604.14	24,12,377.71
Total (C) Gross	**30,38,604.14**	**24,12,377.71**
Less: Impairment Loss Allowance	(48,283.93)	(53,840.57)
Total (C) Net	**29,90,320.21**	**23,58,537.14**
Loans (at FVTOCI)		
(A)		
Other Loans	2,97,325.83	2,15,504.94
Total (A) - Gross	**2,97,325.83**	**2,15,504.94**
Less: Impairment loss allowance	(1,648.22)	(1,138.18)
Total (A) - Net	**2,95,677.61**	**2,14,366.76**
(B)		
Secured loans	-	-
Unsecured Loans	2,97,325.83	2,15,504.94
Total (B) - Gross	**2,97,325.83**	**2,15,504.94**
Less : Impairment loss allowance	(1,648.22)	(1,138.18)
Total (B) - Net	**2,95,677.61**	**2,14,366.76**

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i) Public Sector	-	-
ii) Others	2,97,325.83	2,15,504.94
Total (C) Gross	**2,97,325.83**	**2,15,504.94**
Less: Impairment Loss Allowance	(1,648.22)	(1,138.18)
Total (C) Net	**2,95,677.61**	**2,14,366.76**
Total Loans (Net)	**32,85,997.82**	**25,72,903.90**

The Parent Company has continued its co-lending arrangements with banks for Gold loans. A total disbursement of INR 2,60,287.10 (31st March, 2023 - INR 3,40,362.20) was undertaken during the year under the Co-lending mechanism. As at 31st March, 2024, the total managed assets under the Co-lending mechanism amounted to INR 98,220.05 (INR 1,15,378.42 as at 31st March, 2023).

During the previous year, Muthoot Housing Finance Company Limited had sold financial assets being stressed loan receivables (>90 days past due) having a gross carrying amount of Rs. 3,592.94 lakhs (Gross book value of principal outstanding net of write off cases as on date of transfer) to an Asset Reconstruction Company ("ARC") for a consideration of Rs. 3,131.86 lakhs.As per the agreed terms, the Company has subscribed to the Security Receipts ("SRs") issued by the ARC trust amounting to Rs. 2,662.07 lakhs. As at 31 March, 2024 the face value of the above Security Receipts aggregates to Rs. 2,135.35 Lakhs.

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(Amount in INR Lakhs, except share data and unless otherwise stated)

Note 8 continued

Disclosures on Credit quality and analysis of ECL allowance of the company and its subsidiaries

Muthoot FinCorp Limited
The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 44 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 44

Particulars	As at 31st March 2024				As at 31st March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
High grade	19,27,698.70	-	-	19,27,698.70	15,47,599.04	-	-	15,47,599.04
Standard grade	78,698.08	-	-	78,698.08	68,730.70	-	-	68,730.70
Sub-standard grade	-	89,792.58	-	89,792.58	-	72,625.47	-	72,625.47
Past due but not impaired	-	39,898.26	-	39,898.26	-	35,391.15	-	35,391.15
Non- performing								-
Individually impaired	-	-	35,146.50	35,146.50	-	-	37,161.13	37,161.13
Total	**20,06,396.79**	**1,29,690.84**	**35,146.50**	**21,71,234.13**	**16,16,329.75**	**1,08,016.61**	**37,161.13**	**17,61,507.49**

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

Particulars	As at 31st March 2024				As at 31st March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	16,16,329.75	1,08,016.61	37,161.13	17,61,507.49	15,65,191.55	1,17,162.63	49,959.29	17,32,313.47
New assets originated or purchased	47,56,424.49	-	-	47,56,424.49	43,34,393.64	-	-	43,34,393.64
Assets derecognised or repaid (excluding write offs)	(37,08,895.63)	(3,68,407.88)	(2,59,913.50)	(43,37,217.02)	(36,67,625.20)	(3,76,561.05)	(2,59,958.04)	(43,04,144.30)
Assets written off during the period	-	-	(9,480.84)	(9,480.84)	-	-	(1,055.32)	(1,055.32)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	(4,47,119.31)	4,47,119.31	-	-	(4,34,456.12)	4,34,456.12	-	-
Transfers to Stage 3	(2,10,342.51)	(57,037.20)	2,67,379.71	-	(1,81,174.12)	(67,041.08)	2,48,215.20	-
Gross carrying amount closing balance	**20,06,396.79**	**1,29,690.84**	**35,146.50**	**21,71,234.13**	**16,16,329.75**	**1,08,016.61**	**37,161.13**	**17,61,507.49**

Reconciliation of ECL balance is given below:

Particulars	As at 31st March 2024				As at 31st March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	9,006.98	507.60	26,939.71	36,454.29	7,187.86	835.83	22,768.90	30,792.59
New assets originated or purchased	19,124.88	-	-	19,124.88	24,153.35	-	-	24,153.35
Assets derecognised or repaid (excluding write offs)	(17,420.88)	(1,932.72)	(1,64,571.33)	(1,83,924.92)	(18,903.65)	(2,813.53)	(1,74,715.80)	(1,96,432.98)
Assets written off during the period	-	-	(9,480.84)	(9,480.84)	-	-	(1,055.32)	(1,055.32)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	(1,797.80)	1,797.80	-	-	(2,421.00)	2,421.00	-	-
Transfers to Stage 3	(845.76)	(195.31)	1,041.07	-	(1,009.59)	(315.05)	1,324.64	-
Impact on year end ECLs of exposures transferred between stages during the year	-	266.73	1,67,288.90	1,67,555.63	-	379.36	1,78,617.30	1,78,996.65
ECL allowance - closing balance	**8,067.43**	**444.10**	**21,217.52**	**29,729.05**	**9,006.98**	**507.60**	**26,939.71**	**36,454.29**

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Muthoot Microfin Limited

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 44 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 44.

Particulars	As at 31st March 2024				As at 31st March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
High grade	-	-	-	-	-	-	-	-
Standard grade	9,29,826.79	10,449.82	-	9,40,276.61	6,94,088.19	4,366.72	-	**6,98,454.91**
Sub-standard grade	-	-	-	-	-	-	21,415.35	**21,415.35**
Past due but not impaired	-	-	-	-	-	-	-	-
Non- performing					-	-	-	
Individually impaired	-	-	22,078.86	22,078.86	-	-	-	-
Total	**9,29,826.79**	**10,449.82**	**22,078.86**	**9,62,355.47**	**6,94,088.19**	**4,366.72**	**21,415.35**	**7,19,870.25**

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

Particulars	As at 31st March 2024				As at 31st March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	6,94,088.19	4,366.72	21,415.35	**7,19,870.25**	4,06,650.13	26,422.34	28,900.12	**4,61,972.59**
New assets originated or purchased	10,59,238.80	6,610.21	2,855.85	**10,68,704.86**	7,90,780.78	1,273.33	348.70	**7,92,402.81**
Assets derecognised or repaid (excluding write offs)	(8,08,737.29)	(3,064.20)	(3,414.26)	**(8,15,215.75)**	(4,99,579.40)	(26,245.02)	(140.97)	**(5,25,965.39)**
Transfers to Stage 1	68.71	(33.81)	(34.90)	-	293.55	(290.39)	(3.16)	-
Transfers to Stage 2	(4,885.81)	4,888.00	(2.19)	-	(3,789.25)	3,792.94	(3.69)	-
Transfers to Stage 3	(12,133.91)	(2,317.10)	14,451.01	-	(5,755.99)	(586.48)	6,342.47	-
Amounts written off	-	-	(13,191.99)	**(13,191.99)**	-	-	(14,028.12)	**(14,028.12)**
Change in fair value of loan assets	2,188.10	-	-	**2,188.10**	5,488.37	-	-	**5,488.37**
Gross carrying amount closing balance	**9,29,826.79**	**10,449.82**	**22,078.87**	**9,62,355.47**	**6,94,088.19**	**4,366.72**	**21,415.35**	**7,19,870.25**

Reconciliation of ECL balance is given below:

Particulars	As at 31st March 2024				As at 31st March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	3,831.38	538.41	12,831.91	**17,201.71**	5,809.40	474.90	15,877.23	**22,161.52**
New assets originated or purchased	4,372.34	72.65	1,152.36	**5,597.35**	2,951.91	16.08	390.59	**3,358.58**
Assets derecognised or repaid (excluding write offs)	(1,877.25)	(258.09)	(1,523.24)	**(3,658.58)**	(2,426.24)	(234.97)	(7,683.93)	**(10,345.14)**
Transfers to Stage 1	30.81	(4.93)	(25.88)	-	12.97	(10.67)	(2.29)	**0.00**
Transfers to Stage 2	(68.02)	70.69	(2.66)	-	(104.82)	109.44	(4.62)	**(0.00)**
Transfers to Stage 3	(115.32)	(60.08)	175.41	-	(132.64)	(113.18)	245.83	**0.00**
Impact on year end ECLs of exposures transferred between stages during the year	(15.89)	(37.26)	6,765.24	**6,712.09**	(11.54)	434.13	5,896.70	**6,319.29**
Changes to models and inputs using ECL calculation'	(950.31)	(210.39)	399.35	**(761.35)**	(2,267.65)	(137.30)	1,571.62	**(833.33)**
Amounts written off	-	-	(6,946.29)	**(6,946.29)**	-	-	(447.42)	**(447.42)**
Additional credit loss provision made by management	-	-	640.57	**640.57**	-	-	(3,011.79)	**(3,011.79)**
ECL allowance - closing balance	**5,207.73**	**110.99**	**13,466.77**	**18,785.49**	**3,831.38**	**538.41**	**12,831.91**	**17,201.71**

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD PUNNEN ROAD TRIVANDRUM

Muthoot Housing Finance Company Limited

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 44 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 44.

Particulars	As at 31st March 2024				As at 31st March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
High grade	1,85,061.01	-	-	**1,85,061.01**	1,26,934.80	50.08	-	**1,26,984.88**
Standard grade	6,124.79	-	-	**6,124.79**	8,829.48	107.79	-	**8,937.27**
Sub-standard grade	-	9,560.50	-	**9,560.50**	-	9,333.30	-	**9,333.30**
Past due but not impaired	-	-	-	-	-	-	-	-
Non- performing								
Individually impaired	-	-	1,593.72	**1,593.72**	-	-	1,248.07	**1,248.07**
Total	**1,91,185.80**	**9,560.50**	**1,593.72**	**2,02,340.02**	**1,35,764.28**	**9,491.16**	**1,248.07**	**1,46,503.51**

An analysis of changes in principal value in relation to receivables under financing activites is, as follows:

Particulars	As at 31st March 2024				As at 31st March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	1,37,517.36	9,549.49	1,273.72	**1,48,340.57**	1,13,132.03	10,298.05	5,068.65	**1,28,498.73**
New assets originated or purchased	77,962.67	433.33	6.81	**78,402.81**	43,310.50	65.57	22.37	**43,398.44**
Assets derecognised or repaid (excluding write offs)	(20,556.55)	(1,315.54)	(484.57)	**(22,356.66)**	(17,720.25)	(1,416.15)	(4,420.20)	**(23,556.60)**
Transfers to Stage 1	(1,435.49)	1,126.95	308.54	-	(1,204.92)	1,156.03	48.89	**(0.00)**
Transfers to Stage 2	(1,126.95)	610.00	516.95	-	(1,156.03)	602.02	554.01	-
Transfers to Stage 3	(308.53)	(516.95)	825.48	-	(48.89)	(554.01)	602.90	-
Impact of exposures transferred between stages during the year	1,435.49	(610.00)	(825.48)	**0.00**	1,204.92	(602.02)	(602.90)	-
Gross carrying amount closing balance	**1,93,488.00**	**9,277.28**	**1,621.45**	**2,04,386.73**	**1,37,517.36**	**9,549.49**	**1,273.72**	**1,48,340.57**

Reconciliation of ECL balance is given below:

Particulars	As at 31st March 2024				As at 31st March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	231.07	232.76	858.92	**1,322.75**	411.11	440.95	1,820.36	**2,672.42**
New assets originated or purchased	60.35	27.22	2.78	**90.36**	66.35	1.17	18.33	**85.85**
Additional provision/ (reversal of) provision	(298.75)	38.48	567.61	**307.35**	(420.26)	(162.53)	779.17	**196.38**
Assets derecognised or repaid (excluding write offs)	(27.85)	(20.29)	(254.68)	**(302.83)**	(48.72)	(33.70)	(1,549.48)	**(1,631.90)**
Transfers to Stage 1	209.32	(36.90)	(172.42)	-	222.59	(53.14)	(169.45)	-
Transfers to Stage 2	36.90	0.47	(37.37)	-	53.14	(13.13)	(40.01)	-
Transfers to Stage 3	172.41	37.37	(209.78)	**(0.00)**	169.45	40.01	(209.46)	-
Impact on year end ECLs of exposures transferred between stages during the year	(209.32)	(0.47)	209.78	**(0.00)**	(222.59)	13.13	209.46	-
ECL allowance - closing balance	**174.14**	**278.64**	**964.84**	**1,417.62**	**231.07**	**232.76**	**858.92**	**1,322.75**

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RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD PUNNEN ROAD TRIVANDRUM

Note [illegible] Continued

Transferred financial assets that are derecognised in their entirety but where the Group has continuing involvement

The Group has sold some loans and advances as a source of finance. As per terms of the deal, risk and reward has been transferred to the customer. Hence, as per the derecognition criteria of IND AS 109, including transfer of substantially all risks and rewards relating to assets being transferred to the buyer being met, the assets have been derecognised. The table below summarises the carrying amount of the derecognised financial assets.

Under previous GAAP, retained interest receivable on loan assignment transactions were recognised over the period of such assigned loans. Under Ind AS, the gain arising on said transactions are recorded upfront by discounting the future cash flows accruing in the form of differential interest on such assigned loan to their present values.

Particulars	As at 31st March 2024	As at 31st March 2023
Carrying amount of derecognised financial assets	2,31,177.11	1,80,975.19
Gain/(loss) from derecognition	30,055.52	13,631.60

Transferred financial assets that are not derecognised in their entirety

The Group uses securitisations as a source of finance and a means of risk transfer. The Group securitised its microfinance loans to different entities. These entities are not related to the Group. Also, the Group neither holds any equity or other interest nor controls them.

As per the terms of the agreement, the Group is exposed to first loss amounting to 5% - 12.5% (7.25% - 12.5% as at March 31, 2023) of the amount securitised and therefore continues to be exposed to significant risk and rewards relating to the underlying gold and microfinance loans. These receivables are not derecognised and proceeds received are recorded as a financial liability under borrowings.

The table below outlines the carrying amounts and fair values of all financial assets transferred that are not derecognised in their entirety and associated liabilities.

Particulars	As at 31st March 2024	As at 31st March 2023
Carrying amount of assets re - recognised due to non transfer of assets	1,27,542.15	82,330.07
Carrying amount of associated liabilities	1,42,464.20	82,563.93

The carrying amount of above assets and liabilities is a reasonable approximation of fair value.

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RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

(Amount in INR Lakhs, except share data and unless otherwise stated)

9 Investments

Particulars	As at 31st March 2024	As at 31st March 2023
(i) At Amortized Cost / At Cost		
Debt securities (At Amortized Cost)		
Unlisted Debentures		
Investment Richa Lifespace Private Limited	612.50	612.50
Investment Diyug Construction Private Limited	282.85	282.85
Investment Richa Realtors Private Limited	1,300.00	1,300.00
Others		
Investment in ARC Trust	4,666.42	6,331.37
Sub-total for investments at amortised cost / cost	**6,861.77**	**8,526.72**
(ii) At Fair Value through Profit or Loss		
Others - Quoted		
Investments in Mutual Fund	4,203.91	650.10
Alternate Investment Funds		
Investment in JM Financial India Fund II	275.38	236.50
Investment in BPEA India Credit - Trust II	-	168.86
Others - Unquoted		
Investment in Strugence Debt Fund	997.61	997.61
Investments in Security Receipts	2,135.35	2,662.07
Sub-total for investments at fair value through Profit or loss	**7,612.25**	**4,715.15**
(iii) At Fair Value through Other Comprehensive Income		
Equity instruments		
Others-Quoted		
Investment in Equity Shares (DP account with Motilal Oswal)	2,449.60	1,690.38
Investment in PMS - Motilal Oswal	327.60	231.12
Others-Unquoted		
Investment in Muthoot Pappachan Chits Private Limited	22.03	14.94
Investment in Avenues India Private Limited	479.10	479.10
Investment in Fair Asset Technologies (P) Limited	721.31	720.64
Investment in The Thinking Machine Media Private Limited	18.00	18.00
Investment In Speckle Internet Solutions Private Limited	42.86	42.86
Sub-total for investments at fair value through other comprehensive income	**4,060.50**	**3,197.04**
Total Gross (A)	**18,534.52**	**16,438.90**
i) Investments outside India	-	-
ii) Investments in India	18,534.52	16,438.90
Total Gross (B)	**18,534.52**	**16,438.90**
Less : Allowance for impairment loss (C)	(1,207.44)	(1,207.44)
Total - Net D = (A) - (C)	**17,327.08**	**15,231.46**

RANGAMANI & CO. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

Debt Instruments measured at Amortised Cost

Credit Quality of Assets

Particulars	As at 31st March, 2024				As at 31st March, 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
High grade	-	-	-	-	-	-	-	-
Standard grade	-	-	-	-	-	-	-	-
Sub-standard grade	-	-	-	-	-	-	-	-
Past due but not impaired	-	-	-	-	-	-	-	-
Non- performing								
Individually impaired	-	-	2,195.35	2,195.35	-	-	2,195.35	2,195.35
Total	-	-	**2,195.35**	**2,195.35**	-	-	**2,195.35**	**2,195.35**

An analysis of changes in the gross carrying amount in relation to Debt Instruments measured at Amortised Cost is, as follows

Particulars	As at 31st March, 2024				As at 31st March, 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	-	-	2,195.35	2,195.35	-	-	2,195.35	2,195.35
New assets originated or purchased	-	-	-	-	-	-	-	-
Assets derecognised or repaid (excluding write offs)	-	-	-	-	-	-	-	-
Assets written off during the period	-	-	-	-	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	-	-	**2,195.35**	**2,195.35**	-	-	**2,195.35**	**2,195.35**

Reconciliation of ECL balance is given below:

Particulars	As at 31st March, 2024				As at 31st March, 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	-	-	1,207.44	1,207.44	-	-	1,207.44	1,207.44
New assets originated or purchased	-	-	-	-	-	-	-	-
Assets derecognised or repaid (excluding write offs)	-	-	-	-	-	-	-	-
Assets written off during the period	-	-	-	-	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
ECL allowance - closing balance	-	-	**1,207.44**	**1,207.44**	-	-	**1,207.44**	**1,207.44**

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

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MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

10 Other financial assets

Particulars	As at 31st March 2024	As at 31st March 2023
Security deposits	7,290.74	6,601.57
Interest accrued on fixed deposits with banks	321.33	626.97
Deposits	237.40	171.62
Deposit with original maturity for more than twelve months *	404.03	107.54
Receivables from auction proceeds	-	4,803.44
EIS receivable (net)	342.64	478.56
Other financial assets	34,138.44	9,829.47
Total	**42,734.58**	**22,619.16**

* Includes earmarked balances of INR 218.87 as at 31st March 2024 (31st March 2023 - INR 32.54) towards margin money & security to pension fund regulatory and development authority.

11 Investment property

Particulars	As at 31st March 2024	As at 31st March 2023
Inventory – Projects		
Opening Balance	26,119.76	30,236.55
Acquisitions / (Disposals)	-	(4,116.78)
Closing balance	**26,119.76**	**26,119.76**
Depreciation and Impairment		
Opening balance	-	-
Charge for the year	-	-
Closing Balance	-	-
Net Block	**26,119.76**	**26,119.76**

11.1. Investment Property includes lien marked properties of INR 9,460.56 as at 31st March, 2024 (March 31, 2023 - INR 9,460.56)
11.2. Fair Value of Investment Property as at March 31, 2024 - INR 28,742.97 (March 31, 2023 - INR 27,823.11)
11.3. Investment Property does not contain any immovable property which is not held in the name of the company

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RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

(Amount in INR Lakhs, except share data and unless otherwise stated)

12 Property, plant and equipment

Particulars	Buildings	Computer	Furniture & Fixtures	Land	Plant & Equipment	Vehicles	Windmill	Office Equipment	Electrical Equipments	Leasehold Improvements	Equipment - Finance Lease	Total
As at 31st March 2022	**5,850.61**	**6,362.58**	**27,676.51**	**12,555.55**	**15,113.12**	**315.58**	**7,449.78**	**2,905.59**	**184.87**	**180.37**	**(0.00)**	**78,594.56**
Addition during the year	448.51	1,261.03	2,318.60	-	2,254.79	1.42	-	1,060.88	532.51	71.22	-	7,948.96
Disposals	(39.60)	(3.22)	(2.65)	(22.77)	-	-	-	(47.78)	(3.62)	-	-	(119.63)
As at 31st March 2023	**6,259.52**	**7,620.38**	**29,992.46**	**12,532.78**	**17,367.91**	**317.01**	**7,449.78**	**3,918.70**	**713.77**	**251.59**	**(0.00)**	**86,423.89**
Addition during the year	-	2,543.19	2,195.35	-	2,833.41	-	-	810.54	616.95	95.55	-	9,094.99
Disposals	-	(33.80)	(3.28)	-	-	(0.98)	-	(72.92)	(1.87)	-	-	(112.84)
As at 31st March 2024	**6,259.52**	**10,129.78**	**32,184.53**	**12,532.78**	**20,201.31**	**316.02**	**7,449.78**	**4,656.32**	**1,328.85**	**347.14**	**(0.00)**	**95,406.03**
Accumulated Depreciation:												
As at 31st March 2022	**462.11**	**5,332.27**	**15,169.90**	-	**10,101.38**	**224.36**	**2,560.11**	**1,168.55**	**89.21**	**93.87**	**(0.00)**	**35,201.77**
Addition during the year	102.06	855.69	1,989.32	-	1,474.46	15.71	511.74	602.95	37.71	38.08	-	5,627.72
Disposals	-	(2.57)	(2.14)	-	-	-	-	(43.50)	(3.98)	-	-	(52.18)
As at 31st March 2023	**564.17**	**6,185.39**	**17,157.08**	-	**11,575.85**	**240.07**	**3,071.86**	**1,728.01**	**122.95**	**131.95**	**(0.00)**	**40,777.32**
Addition during the year	105.39	1,297.48	2,030.70	-	2,042.64	21.07	511.74	829.25	92.88	47.73	-	6,978.89
Disposals	-	(31.25)	(2.74)	-	-	-	-	(66.35)	(1.50)	-	-	(101.83)
As at 31st March 2024	**669.56**	**7,451.63**	**19,185.04**	-	**13,618.49**	**261.13**	**3,583.60**	**2,490.91**	**214.33**	**179.68**	**(0.00)**	**47,654.37**
Net book value:												
As at 31st March 2023	**5,695.35**	**1,434.99**	**12,835.38**	**12,532.78**	**5,792.06**	**76.94**	**4,377.92**	**2,190.68**	**590.82**	**119.64**	**(0.00)**	**45,646.57**
As at 31st March 2024	**5,589.96**	**2,678.15**	**12,999.49**	**12,532.78**	**6,582.82**	**54.89**	**3,866.18**	**2,165.40**	**1,114.52**	**167.46**	**(0.00)**	**47,751.65**

13 Intangible assets under development and other intangible assets

Particulars	Intangible assets under development	Computer Software
As at 31st March 2022	-	**4,541.98**
Addition during the year	880.25	594.19
Capitalised during the year	-	-
Disposals	-	-
As at 31st March 2023	**880.25**	**5,136.18**
Addition during the year	487.19	1,997.16
Capitalised during the year	(676.00)	6.00
Disposals	-	-
As at 31st March 2024	**691.44**	**7,139.34**
Accumulated Depreciation:		
As at 31st March 2022	-	**2,588.95**
Charged for the year	-	815.46
Disposals	-	-
As at 31st March 2023	-	**3,404.41**
Charged for the year	-	880.04
Disposals	-	-
As at 31st March 2024	-	**4,284.46**
Net book value:		
As at 31st March 2023	**880.25**	**1,731.77**
As at 31st March 2024	**691.44**	**2,854.88**

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

(Amount in INR Lakhs, except share data and unless otherwise stated)

14 Right-of-use assets

Particulars	As at 31st March 2024	As at 31st March 2023
Depreciation charge for Right-of-use assets		
Leasehold Property	16,629.73	15,184.69
Equipments	1.56	2.65
Interest expense on lease liabilities	11,461.06	10,145.50
Income from subleasing right-of-use assets	129.50	161.53
Total cash outflow for leases	23,360.13	21,067.96
Carrying amount of right-of-use assets		
Leasehold Property	97,946.96	91,866.12
Equipments	-	1.56
Lease Liability		
Leasehold Property	1,12,786.57	1,02,701.17
Equipments	-	1.75

14.1. The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	As at 31st March 2024	As at 31st March 2023
Short-term leases	29.16	24.66
Leases of low value assets	-	-
Variable lease payments	-	-

14.2. Carrying value of right-of-use assets at the end of the reporting period:

Particulars	As at 31st March 2024	As at 31st March 2023
Balance as at the beginning	91,867.68	66,258.57
Additions	22,851.76	40,924.22
Deletions	(487.79)	(298.20)
Depreciation charge for the year	(16,631.29)	(15,187.34)
Other Adjustment	346.60	170.42
Balance at the end	97,946.96	91,867.68

14.3. Movement in lease liabilities:

Particulars	As at 31st March 2024	As at 31st March 2023
Balance as at the beginning	1,02,702.92	74,233.11
Additions	22,169.34	39,547.34
Interest on lease liabilities	11,461.06	10,145.50
Payment of lease liabilities	(23,360.13)	(21,067.96)
Other Adjustment	(186.62)	(155.07)
Balance at the end	1,12,786.57	1,02,702.92

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD PUNNEN ROAD TRIVANDRUM

14.4. Maturity analysis of lease liabilities

Particulars	As at 31st March 2024	As at 31st March 2023
Less than one year	24,470.28	20,739.20
One to five years	90,054.25	78,479.99
More than five years	54,227.56	57,518.43
Total undiscounted lease liabilities as at March 31, 2024 / March 31, 2023	1,68,752.09	1,56,737.62

15 Other non financial assets

Particulars	As at 31st March 2024	As at 31st March 2023
Prepaid expenses	4,326.14	2,884.40
Advance to Creditors	1,250.54	600.60
Advance for Property (refer note a)	-	19,000.17
Pre-Deposit Fee	788.02	753.95
GST / Service Tax Receivables	1,598.24	1,175.66
Other Receivable	214.06	112.48
Assets held for sale (refer note b)	354.59	819.45
Capital advances	68.71	99.65
Total	**8,600.30**	**25,446.36**

(a) Advance for Property as on March 31, 2024 consists of - INR Nil (P.Y. INR 1,487.26) and INR Nil (P.Y.INR 17,512.91) advanced by the Company to its Directors and their relatives, M/s. MPG Hotels & Infrastructure Ventures Private Limited (a Company in which the Directors are interested) and M/s. Muthoot Estate Investments (a firm in which the Directors of the Company are partners) respectively for purchase of immovable property by the Company from them.

(b) Assets held for sale represents Assets acquired under satisfaction of debt by Muthoot Housing Finance Company Limited.

16 Derivative Financial Liability

The Group undertakes derivative transactions for hedging exposures relating to foreign exchange borrowings. 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 as at the year end and are not indicative of either the market risks or credit risk.

Particulars	As at 31st March 2024		As at 31st March 2023	
	Notional amounts	Fair value liabilities	Notional amounts	Fair value liabilities
Currency Derivatives:				
Forward Contracts	72,148.77	239.64	26,062.40	89.19
Total	**72,148.77**	**239.64**	**26,062.40**	**89.19**
Derivatives held for risk management purposes included above are as follows:				
(i) Fair value hedging	-	-	-	-
(ii) Cash flow hedging				
Currency derivatives	72,148.77	239.64	26,062.40	89.19
(iii) Net investment hedging	-	-	-	-
(iv) Undesignated derivatives	-	-	-	-
Total [(i) to (iv)]	**72,148.77**	**239.64**	**26,062.40**	**89.19**

16.1 The Group is exposed to certain risks in relation to its ongoing business. The primary risk managed using derivative instruments is foreign currency risk.
16.2 The Group has designated forward contracts as a hedging instrument to mitigate foreign exchange risk from its exposure on foreign currency borrowings.
16.3 There are no derivatives not designated as hedging instruments.

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

17 Payables

Particulars	As at 31st March 2024	As at 31st March 2023
(I) Trade payables		
Total outstanding dues of micro enterprises and small enterprises	15.00	18.22
Total outstanding dues of creditors other than micro enterprises and small enterprise	545.29	535.71
(II) Other payables		
Total outstanding dues of micro enterprises and small enterprises	799.49	813.40
Total outstanding dues of creditors other than micro enterprises and small enterprise	5,124.54	4,797.02
Total	6,484.32	6,164.34

Disclosure under Micro, Small, and Medium Enterprises Development Act, 2006 :

Particulars	As at 31st March 2024	As at 31st March 2023
Principal amount remaining unpaid during the year	808.89	831.62
Interest due thereon	-	-
Interest remaining accrued and unpaid at the end of the year	5.60	-
Total interest accrued and remained unpaid at year end	814.49	831.62

(i) Ageing Schedule of Trade Payables (As on 31/03/2024)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	15.00	-	-	-	15.00
(ii) Others	239.31	5.61	3.82	20.22	268.95
(iii) Disputed Dues- MSME	-	-	-	-	-
(iv) Disputed Dues- Others	-	-	-	-	-
Total	254.30	5.61	3.82	20.22	283.95
Unbilled (Undisputed outstanding of non MSME trade payables)					276.34
Total					560.29

(ii) Ageing Schedule of Trade Payables (As on 31/03/2023)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	17.95	-	-	-	17.95
(ii) Others	151.01	2.99	0.59	6.51	161.10
(iii) Disputed Dues- MSME	-	-	-	0.26	0.26
(iv) Disputed Dues- Others	-	-	-	11.38	11.38
Total	168.97	2.99	0.59	18.15	190.69
Unbilled (Undisputed outstanding of non MSME trade payables)					363.23
Total					553.92

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

18 Debt Securities (At Amortised Cost)

Particulars*	As at 31st March 2024	As at 31st March 2023
Secured		
Secured Non-Convertible Debentures	-	88.00
Secured Non-Convertible Debentures- Listed	3,83,276.28	3,86,884.58
Secured Non-Convertible Debentures - Covered Bonds - Listed	-	49,837.07
Unsecured		
Commercial Paper	-	4,848.39
Total	**3,83,276.28**	**4,41,658.04**
Debt securities in India	3,83,276.28	4,41,658.04
Debt securities outside India	-	-
Total	**3,83,276.28**	**4,41,658.04**

*Includes issue expenses amortised as per Effective Interest Rate (EIR)

Maturity Profile of Non-Convertible Debentures as on March 31st 2024:

Particulars	Amount
FY 2024-25	1,02,972.06
FY 2025-26	1,12,913.69
FY 2026-27	81,863.13
FY 2027-28	23,320.74
FY 2028-29	42,776.54
FY 2029-30	9,728.70
FY 2030-31	7,697.95
FY 2031-32	3,351.89
Adjustments on account of effective rate of interest	(1,348.42)
TOTAL	**3,83,276.28**

Secured debentures are secured in either of the following ways by the respective Company issuing the instrument:

Nature of security	Outstanding as at March 31st 2024	Outstanding as at March 31st 2023
Privately placed (Listed & Unlisted)		
Secured by subservient charge on all current assets (both present and future) and immovable property of the Company	-	88.00
Exclusive charge over book debts equivalent to 100% of the loan and interest amount	18,570.00	28,320.00
Exclusive charge over book debts equivalent to 105% of the loan and interest amount	15,000.00	-
Exclusive charge over book debts equivalent to 110% of the loan and interest amount	63,000.00	15,000.00
Exclusive charge over book debts equivalent to 115% of the loan and interest amount	-	90,040.00
First Pari-passu charge on the present and future standard loan receivables equivalent to 1.10 times of the loan	10,000.00	10,000.00
First Pari-passu charge on the present and future standard loan receivables equivalent to 1.25 times of the loan	20,000.00	-

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

Nature of security	Outstanding as at March 31st 2024	Outstanding as at March 31st 2023
Public Issue - Listed		
Subservient charge with existing secured creditors on all loan receivables (both present and future) of the company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders	2,53,270.47	2,36,910.67
Subservient charge with existing secured creditors on all loan receivables (both present and future) of the company and exclusive mortgage and first charge over certain immovable property of the Company	4,784.23	8,331.60
Covered Bonds - Listed		
First Pari-passu charge on the present and future current assets of the Company along with other lenders and NCD investors with a minimum asset coverage ratio of 1.10 times of the value of the outstanding principal amounts of the Debentures	-	20,000.00
First ranking exclusive and continuing charge on book debts which shall be maintained at 1.20 times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon, Default Interest accrued thereon	-	30,000.00

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RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD PUNNEN ROAD TRIVANDRUM

(Amount in INR Lakhs, except share data and unless otherwise stated)

19 Borrowings (other than debt securities) - At Amortised Cost

Particulars	As at 31st March 2024	As at 31st March 2023
(a) Term loans		
(i) from banks	12,21,302.63	9,08,291.16
(ii) from other parties		
- financial institutions	1,79,326.48	1,24,425.38
- financial institutions (in foreign currency)	49,144.22	20,477.63
- financial institutions (unsecured)	7,582.37	5,477.26
(iii) under securitisation arrangement	1,42,189.60	82,306.31
(b) Loans repayable on demand		
(i) from banks (OD & CC)	8,52,805.79	7,46,415.46
(ii) from other parties (unsecured)	11,975.10	7,149.78
Total	**24,64,326.19**	**18,94,542.99**
Borrowings in India	24,64,326.19	18,94,542.99
Borrowings outside India	-	-

a) Security details :

Borrowings (other than debt securities) are secured in either of the following ways by the respective Company issuing the instrument:

Nature of the security	Outstanding as at March 31st 2024	Outstanding as at March 31st 2023
From Banks and Financial Institutions		
Hypothecation of Loan receivables, other current assets & specified fixed assets equivalent to security cover stipulated by respective banks (Guaranteed by promoter directors INR 5,97,957.43 (31st March 2023 : INR 4,74,755)	6,62,069.52	5,02,962.85
Hypothecation of Loan Receivables equivalent to security cover stipulated by respective banks (Guaranteed by promoter directors)	1,66,220.37	1,13,327.67
Hypothecation of all present and future current assets including Book Debts,Trade Receivables, Fixed Assets, Intangible assets and all other Receivables	-	231.77
Exclusive charge over book debts equivalent to 100% of loan amount and Cash margin of 10%	14,757.46	7,330.12
Exclusive charge over book debts equivalent to 100% of loan amount and Cash margin of 5%	49,719.51	-
Exclusive charge over book debts equivalent to 105% of loan amount and Cash margin of 5%	19,840.37	62,004.68
Exclusive charge over book debts equivalent to 108.70% of loan amount and Cash margin of 12%	-	254.42
Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 5%	83,705.76	91,537.68
Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 10%	3,332.68	8,674.53
Exclusive charge over book debts equivalent to 111% of loan amount and Cash margin of 5%	21,822.84	-
Exclusive charge over book debts equivalent to 111% of loan amount and Cash margin of 10%	-	17,641.32
Exclusive charge over book debts equivalent to 111% of loan amount and Cash margin of 12.5%	-	3,386.18
Exclusive charge over book debts equivalent to 111.12% of loan amount and Cash margin of 10%	-	691.40
Exclusive charge over book debts equivalent to 112% of loan amount and Cash margin of 5%	25,359.82	-
Exclusive charge over book debts equivalent to 112% of loan amount and Cash margin of 10%	-	5,766.28
Exclusive charge over book debts equivalent to 112.74% of loan amount	-	880.00
Exclusive charge over book debts equivalent to 114% of loan amount and Cash margin of 5.5%.	31,326.42	40,191.91
Exclusive charge over book debts equivalent to 114% of loan amount and Cash margin of 7%.	16,053.87	-
Exclusive charge over book debts equivalent to 114% of loan amount and Cash margin of 7.4%.	-	9,407.16
Exclusive charge over book debts equivalent to 114% of loan amount and Cash margin of 7.5%.	4,758.47	7,292.79

RANGAMANI & CO. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

Nature of the security	Outstanding as at March 31st 2024	Outstanding as at March 31st 2023
Exclusive charge over book debts equivalent to 114% of loan amount and Cash margin of 8%.	-	2,116.21
Exclusive charge over book debts equivalent to 114% of loan amount and Cash margin of 9.5%.	-	5,757.34
Exclusive charge over book debts equivalent to 114% of loan amount and Cash margin of 10%.	-	5,540.35
Exclusive charge over book debts equivalent to 115% of loan amount and Cash margin of 5.5%.	31,949.35	-
Exclusive charge over book debts equivalent to 116% of loan amount and Cash margin of 5.5%.	47,662.47	-
Exclusive charge over book debts equivalent to 117% of loan amount and Cash margin of 5%	44,096.52	13,493.53
Exclusive charge over book debts equivalent to 120% of loan amount and Cash margin of 6%	24,053.84	-
Exclusive charge over book debts equivalent to 120% of loan amount and Cash margin of 10%	3,474.78	-
Exclusive charge over book debts equivalent to 125% of loan amount and Cash margin of 5%.	-	27,021.44
Exclusive charge over book debts equivalent to 125% of loan amount and Cash margin of 5%	61,337.43	-
Exclusive charge over book debts equivalent to 133% of loan amount and Cash margin of 5%	-	6,643.63
Exclusive charge over book debts equivalent to 100% of loan amount	13,039.57	23,062.11
Exclusive charge over book debts equivalent to 105% of loan amount	8,203.60	10,646.20
Exclusive charge over book debts equivalent to 110% of loan amount	1,98,519.25	1,54,974.45
Exclusive charge over book debts equivalent to 111% of loan amount	9,683.69	2,614.01
Exclusive charge over book debts equivalent to 113% of loan amount	440.00	-
Exclusive charge over book debts equivalent to 115% of loan amount	14,940.47	4,642.06
Exclusive charge over book debts equivalent to 118% of loan amount	4,730.70	-
From other parties		
Hypothecation of Loan Receivables of the Company equivalent to security cover stipulated by respective lender (Guaranteed by promoter directors)	15,142.37	6,970.90
Hypothecation of Loan Receivables of the Company equivalent to security cover stipulated by respective lender (Guaranteed by promoter directors INR Nil (31st March 2023 : INR 437.50)	15,721.79	437.50
Loans repayable on demand		
Hypothecation of Loan Receivables equivalent to security cover stipulated by respective banks (Guaranteed by promoter directors INR 7,93,250.72 (31st March 2023 : INR 7,47,174)	8,52,805.79	7,46,415.46

b) Terms of repayment

Secured loans from Banks

Name of Party	Outstanding as at March 31st 2024	Outstanding as at March 31st 2023	Terms of Repayment
Term Loan from Banks			
State Bank of India Car Loan	-	0.50	Repayable in 16 monthly instalments on diminishing value method
Axis Bank	-	15,714.29	Repayable in 4 quarterly instalments of INR 3,928 each from May 2023 (INR 10,000 availed additionally during the year ended March, 2023)
Axis Bank	9,714.29	17,000.00	Repayable in 4 quarterly instalments of INR 2,429 Lakhs each from April 2024
Axis Bank	15,000.00	-	Repayable in 7 quarterly instalments of INR 2,142.85 Lakhs each from April 2024
Axis Bank	15,000.00	-	Repayable in 7 quarterly instalments of INR 2,142.85 Lakhs each from April 2024
Axis Bank	3,500.00	-	Repayable in 7 quarterly instalments of INR 500 Lakhs each from June 2024
Axis Bank	2,800.00	-	Repayable in 7 quarterly instalments of INR 400 Lakhs each from July 2024
Axis Bank	3,900.00	-	Repayable in 7 quarterly instalments of INR 557 lakhs each from August 2024
Bandhan Bank	4,770.97	7,498.24	Repayable in 7 quarterly instalments of INR 681.81 Lakhs each from April 2024
Bandhan Bank	12,727.27	17,500.00	Repayable in 8 quarterly instalments of INR 1,590.90 Lakhs each from June 2024
Bandhan Bank	15,000.00	-	Repayable in 11 quarterly instalments of INR 1,363.63 lakhs each from July 2024

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

Name of Party	Outstanding as at March 31st 2024	Outstanding as at March 31st 2023	Terms of Repayment
Bank of Baroda	-	6,000.00	Repayable in 2 quarterly instalments of INR 3,000 each from April 2023
Bank of India	28,418.40	-	Repayable in 18 quarterly instalments of INR 1,579 Lakhs each from June 2024
Bank of India	9,471.42	-	Repayable in 18 quarterly instalments of INR 526.31 Lakhs each from June 2024
Bank of India	4,997.76	-	Repayable in 19 quarterly instalments of INR 263.20 Lakhs each from April 2024
Bank of India	4,997.88	-	Repayable in 19 quarterly instalments of INR 263.20 Lakhs each from April 2024
Bank of Maharashtra	-	4,536.31	Repayable in 3 quarterly instalments of INR 1,500 each from June 2023
Bank of Maharashtra	17,640.88	25,186.85	Repayable in 7 quarterly instalments of INR 2,500 Lakhs each from June 2024
Bank of Maharashtra	45,810.16	-	Repayable in 30 monthly instalments of INR 1,515.15 lakhs each from April 2024
Bank of Maharashtra	25,026.03	-	Repayable in 57 monthly instalments of INR 438.60 lakhs each from April 2024
Canara Bank	-	8,636.00	Repayable in 2 quarterly instalments of INR 4,318 each from June 2023
Canara Bank	5,998.39	18,000.00	Repayable in 2 quarterly instalments of INR 3,000 Lakhs each from June 2024
Canara Bank	9,090.38	16,363.64	Repayable in 5 quarterly instalments of INR 1,818.18 Lakhs each from June 2024
Canara Bank	22,500.00	30,000.00	Repayable in 12 quarterly instalments of INR 1,875 Lakhs each from June 2024
Canara Bank	20,314.00	-	Repayable in 13 quarterly instalments of INR 1,562 Lakhs each from June 2024
Canara Bank	32,810.93	-	Repayable in 15 quarterly instalments of INR 2,188 Lakhs each from June 2024
Central Bank of India	-	1,837.03	Repayable in 2 quarterly instalments of INR 937.5 each from May 2023
Central Bank of India	-	1,844.01	Repayable in 2 quarterly instalments of INR 937.50 each from May 2023
Central Bank of India	1,945.55	5,974.51	Repayable in 2 quarterly instalments of INR 1,000 lakhs each from June 2024
Central Bank of India	3,867.75	11,962.16	Repayable in 2 quarterly instalments of INR 2,000 lakhs each from June 2024
Central Bank of India	8,927.46	20,981.01	Repayable in 3 quarterly instalments of INR 3,000 each from June 2024
Central Bank of India	12,148.19	-	Repayable in 13 quarterly instalments of INR 937.50 lakhs each from June 2024
DBS Bank	-	2,857.14	Repayable in 12 monthly instalments of INR 238 each from April 2023
DBS Bank	-	2,857.14	Repayable in 12 monthly instalments of INR 238 each from April 2023
Federal Bank	5,998.92	10,000.00	Repayable in 6 quarterly instalments of INR 1,000 lakhs each from June 2024
Federal Bank	9,999.79	-	Repayable in 14 quarterly instalments of INR 714.28 lakhs each from June 2024
IDBI Bank	10,000.00	-	Repayable in 25 quarterly instalments of INR 400 lakhs each from March 2025
Indian Bank	-	6,043.06	Repayable in 2 quarterly instalments of INR 3,000 each from June 2023
Indian Bank	2,523.35	12,591.27	Repayable in 3 monthly instalments of INR 833.33 lakhs from April 2024
Indian Bank	10,768.11	16,117.74	Repayable in 8 quarterly instalments of INR 1,333.33 lakhs each from June 2024
Indian Bank	5,504.29	9,161.20	Repayable in 6 quarterly instalments of INR 909.09 lakhs each from June 2024

RANGAMANI & CO. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD PUNNEN ROAD TRIVANDRUM

Name of Party	Outstanding as at March 31st 2024	Outstanding as at March 31st 2023	Terms of Repayment
Indian Bank	14,665.59	20,148.77	Repayable in 8 quarterly instalments of INR 1,818.18 lakhs each from June 2024
Punjab National Bank	17,808.33	36,002.31	Repayable in 3 quarterly instalments of INR 4,546 Lakhs each from June 2024 and 1 quarterly instalments of INR 4,174 Lakhs in March 2025
Punjab National Bank	21,815.90	-	Repayable in 8 quarterly instalments of INR 2,727.27 Lakhs each from June 2024
Punjab National Bank	39,989.80	-	Repayable in 11 quarterly instalments of INR 3,636.36 Lakhs each from June 2024
Punjab & Sind Bank	-	2,999.96	Repayable in 3 quarterly instalments of INR 1,000 each from June 2023 (one instalment was prepaid during the year ended March, 2023)
Punjab & Sind Bank	2,843.41	8,843.42	Repayable in 2 quarterly instalments of INR 1,500 lakhs each from May 2024
Punjab & Sind Bank	6,399.96	12,799.92	Repayable in 4 quarterly instalments of INR 1,600 lakhs each from June 2024
Punjab & Sind Bank	4,999.98	9,000.00	Repayable in 5 quarterly instalments of INR 1,000 lakhs each from June 2024
State Bank of India	-	10,499.44	Repayable in 3 quarterly instalments of INR 3,500 each from May 2023
State Bank of India	9,750.00	22,749.09	Repayable in 3 quarterly instalments of INR 3,250 Lakhs each from May 2024
State Bank of India	44,443.29	44,549.97	Repayable in 16 quarterly instalments of INR 2,778 Lakhs each from April 2024
State Bank of India	59,999.46	-	Repayable in 18 quarterly instalments of INR 3,334 Lakhs each from July 2024
UCO Bank	611.16	3,112.07	Repayable in 1 quarterly instalments of INR 625 Lakhs each from June 2024
UCO Bank	3,083.68	6,246.70	Repayable in 4 quarterly instalments of INR 781.25 Lakhs each from May 2024
UCO Bank	-	3,740.59	Repayable in 3 quarterly instalments of INR 1,250 each from April 2023
UCO Bank	-	4,982.31	Repayable in 4 quarterly instalments of INR 1,250 each from May 2023
UCO Bank	5,616.31	9,374.70	Repayable in 6 quarterly instalments of INR 937.50 Lakhs each from May 2024
UCO Bank	9,993.76	14,999.93	Repayable in 8 quarterly instalments of INR 1,250 Lakhs each from June 2024
UCO Bank	12,491.98	17,500.00	Repayable in 10 quarterly instalments of INR 1,250 Lakhs each from May 2024
UCO Bank	26,241.81	-	Repayable in 14 quarterly instalments of INR 1,875 Lakhs each from May 2024
Ujjivan Bank	357.14	1,785.71	Repayable in 1 quarterly instalments of INR 357 each from April 2024
Ujjivan Bank	357.14	1,785.71	Repayable in 1 quarterly instalments of INR 357 each from May 2024
Yes Bank	2,840.84	5,684.84	Repayable in 4 quarterly instalments of INR 711 Llakhs each from June 2024
AU Small Finance Bank Limited	-	125.19	Repayable in 20 quarterly instalments after 1 month from the date of full disbursement
Axis Bank	1,635.12	2,303.41	Repayable in 17 quarterly instalments after 12 months from the date of first disbursement
Bank of Baroda (Vijaya Bank)	754.33	1,032.12	Repayable in 36 quarterly instalments after 12 months from the disbursement
Bank of Baroda	8,750.00	5,000.00	Repayable in 32 quarterly instalments after 3 months from the disbursement
Bank of India	4,025.34	4,579.09	Repayable in 36 quarterly instalments after 12 months from the date of first disbursement
Canara Bank	-	2,175.93	Repayable in 108 monthly instalments after 13 months from the disbursement

RANGAMANI & CO CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD PUNNEN ROAD TRIVANDRUM

Name of Party	Outstanding as at March 31st 2024	Outstanding as at March 31st 2023	Terms of Repayment
Canara Bank	-	1,388.89	Repayable in 36 equal quarterly instalments after 15 months from the disbursement
Canara Bank	9,166.61	10,000.00	Repayable in 72 equal monthly instalments after 12 months from the disbursement
Canara Bank	7,500.00	-	Repayable in 14 half yearly instalments after the date of first disbursement
Federal Bank Limited	499.78	1,166.52	Repayable in 36 monthly instalments after a month from the disbursement
Federal Bank Limited	2,249.82	-	Repayable in 20 quarterly instalments after the date of first disbursement
Federal Bank Limited	2,250.00	-	Repayable in 20 quarterly instalments after the date of first disbursement
IDBI Bank Limited	465.58	569.04	Repayable in 58 quarterly instalments after 6 months from the disbursement
Indian Bank	4,120.70	5,500.00	Repayable in 29 quarterly instalments after a holiday period of 3 quarters from the date of first disbursement
Indian Bank	4,388.89	5,397.26	Repayable in 72 monthly instalments after a holiday period of 12 months from the date of first disbursement
Karur Vysya Bank	968.69	1,246.39	Repayable in 36 equal quarterly instalments after 12 months from the disbursement
Punjab National Bank	939.62	1,493.43	Repayable in 36 equal quarterly instalments after 6 months from the disbursement
Punjab National Bank	4,302.45	5,046.08	Repayable in 40 equal quarterly instalments after 15 months from the disbursement
Punjab National Bank	1,028.56	1,305.19	Repayable in 36 equal quarterly instalments after 12 months from the disbursement
Punjab National Bank	8,893.63	9,999.29	Repayable in 36 equal quarterly instalments after 12 months from the disbursement
Punjab National Bank	4,999.05	-	Repayable in 36 equal quarterly instalments after 12 months from the disbursement
Punjab National Bank	4,999.04	-	Repayable in 36 equal quarterly instalments after 12 months from the disbursement
South Indian Bank	-	368.35	Repayable in 60 instalments from the disbursement
State Bank of India	-	2,394.63	Repayable in 36 quarterly instalments after 4 months from the disbursement
State Bank of India	3,773.85	5,901.54	Repayable in 35 quarterly instalments after 12 months from the disbursement
State Bank of India	12,602.00	7,109.58	Repayable in 36 quarterly instalments after 12 months from the disbursement
State Bank of India	15,870.65	10,000.01	Repayable in 36 quarterly instalments after 12 months from the disbursement
Union Bank of India	186.42	955.24	Repayable in 26 equal quarterly instalments after 6 months from the disbursement
Union Bank of India	2,497.85	3,331.21	Repayable in 24 equal quarterly instalments after 15 months from the disbursement
Union Bank of India	9,999.99	-	Repayable in 36 quarterly instalments after 6 months from the disbursement
Union Bank of India	1,944.39	2,493.07	Repayable in 36 equal quarterly instalments after 15 months from disbursement
Yes Bank Limited	2,075.98	2,407.27	Repayable in 163 monthly instalments after 6 months from the disbursement
Karnataka Bank	4,749.67	-	Repayable in 20 quarterly instalments after the date of first disbursement
DCB Bank	1,999.90	-	Repayable in 57 monthly instalments after 3 months from the disbursement
Bank of Maharashtra	12,499.99	-	Repayable in 26 equal quarterly instalments after 8 months from disbursement

RANGAMANI & CO CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD PUNNEN ROAD TRIVANDRUM

Name of Party	Outstanding as at March 31st 2024	Outstanding as at March 31st 2023	Terms of Repayment
National Housing Bank	102.77	168.73	Repayable in 47 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	375.34	443.34	Repayable in 59 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	15.59	34.27	Repayable in 27 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	504.03	655.87	Repayable in 59 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	902.44	1,049.17	Repayable in 59 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	208.40	362.00	Repayable in 27 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	147.90	170.70	Repayable in 39 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	214.16	317.45	Repayable in 39 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	561.10	716.74	Repayable in 39 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	1,379.70	1,689.11	Repayable in 39 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	614.49	773.39	Repayable in 39 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	311.36	431.51	Repayable in 39 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	56.13	72.21	Repayable in 27 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	388.14	525.56	Repayable in 27 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	2,214.68	2,749.94	Repayable in 27 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	1,945.64	2,426.01	Repayable in 27 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	1,164.01	1,378.01	Repayable in 27 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	618.87	828.10	Repayable in 27 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	820.49	989.19	Repayable in 27 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	1,312.63	1,560.20	Repayable in 27 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	2,949.25	3,500.00	Repayable in 27 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	5,591.08	-	Repayable in 27 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	4,060.00	-	Repayable in 40 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	735.00	-	Repayable in 40 quarterly instalments after quarter succeeding the disbursement
Bank of Bahrain and Kuwait	-	1,180.00	Repayable in 12 quarterly instalments from May-2021
Jana SFB	-	190.62	Repayable in 24 monthly instalments from May-2021
Karnataka Bank	-	1,997.69	Repayable in 5 half yearly instalments from December-2021
SBI	-	6,663.30	Repayable in 12 quarterly instalments from April-2021
Utkarsh Small Finance Bank	-	312.50	Repayable in 24 monthly instalments from July-2021
Jana SFB - II	631.15	1,952.51	Repayable in 36 monthly instalments from September-2021

RANGAMANI & CO CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD * PUNNEN ROAD * TRIVANDRUM

Name of Party	Outstanding as at March 31st 2024	Outstanding as at March 31st 2023	Terms of Repayment
IDBI III	625.00	2,656.25	Repayable in 32 monthly instalments from January-2022
Canara Bank	1,663.91	4,997.59	Repayable in 36 monthly instalments from October-2021
Woori Bank 3	-	700.00	Repayable in 24 monthly instalments from October-2021
Bank of Baroda -2	1,666.67	5,000.00	Repayable in 36 monthly instalments from October-2021
SCB - Nov'21	-	3,000.00	Repayable in 8 quarterly instalments from February-2022
Woori Bank 4	-	1,033.33	Repayable in 24 monthly instalments from January-2022
Bandhan Bank IV	-	5,355.31	Repayable in 7 quarterly instalments from July-2022
Bandhan Bank IV B	-	4,285.65	Repayable in 7 quarterly instalments from September-2022
Axis Bank VI	-	6,136.36	Repayable in 22 monthly instalments from March-2022
Equitas Small Finance Bank II	-	2,074.00	Repayable in 24 monthly instalments from February-2022
Karnataka Bank II	1,998.39	3,999.64	Repayable in 5 half yearly instalments from November-2022
DCB IV	-	2,289.92	Repayable in 24 monthly instalments from March-2022
IDBI Bank - IV	416.66	3,125.00	Repayable in 24 monthly instalments from July-2022
IOB	1,996.67	3,998.08	Repayable in 30 monthly instalments from September-2022
Kotak Mahindra Bank V	624.86	4,375.00	Repayable in 23 monthly instalments from June-2022
Axis TL 7A	954.55	4,772.73	Repayable in 22 monthly instalments from September-2022
Axis TL 7B	90.91	363.64	Repayable in 22 monthly instalments from October-2022
Utkarsh SFB 2	-	1,562.50	Repayable in 24 monthly instalments from July-2022
Karur Vysya Bank	1,250.00	2,250.00	Repayable in 10 quarterly instalments from January-2023
Bank of Bahrain & Kuwait 2	500.00	1,500.00	Repayable in 8 quarterly instalments from October-2022
HSBC A	416.67	1,666.66	Repayable in 24 monthly instalments from August-2022
HSBC B	1,145.83	2,393.53	Repayable in 24 monthly instalments from March-2023
ICICI TL 5	8,333.33	19,444.44	Repayable in 9 quarterly instalments from December-2022
SBI VI	16,346.02	27,261.60	Repayable in 11 quarterly instalments from February-2023
DBS Bank 1A	1,666.67	4,166.67	Repayable in 24 monthly instalments from December-2022
DBS Bank 1B	2,061.98	4,583.33	Repayable in 24 monthly instalments from February-2023
Suryoday SFB 1	1,361.63	3,854.27	Repayable in 24 monthly instalments from October-2022
BOB 3 A	7,285.71	12,428.57	Repayable in 35 monthly instalments from October-2022
ICBC 1	3,500.07	5,833.33	Repayable in 12 quarterly instalments from December-2022
Union Bank 7	5,151.17	8,787.88	Repayable in 33 monthly instalments from December-2022
UCO Bank 1	4,999.54	8,333.31	Repayable in 12 quarterly instalments from December-2022
Jana Small Finance Bank - 3	2,512.06	5,862.50	Repayable in 24 monthly instalments from January-2023
Kookmin Bank 1	6,125.00	7,000.00	Repayable in 8 quarterly instalments from February-2024
Kotak Mahindra Bank VI A	1,666.64	3,666.67	Repayable in 24 monthly instalments from February-2023
Kotak Mahindra Bank VI B	541.67	1,000.00	Repayable in 24 monthly instalments from May-2023
Bandhan VI	11,428.44	20,008.51	Repayable in 7 quarterly instalments from June-2023
DCB 5	1,831.94	3,833.29	Repayable in 24 monthly instalments from March-2023
Federal Bank 3	1,874.63	4,375.00	Repayable in 8 quarterly instalments from March-2023
Woori Bank 5	2,083.33	4,583.33	Repayable in 24 monthly instalments from February-2023
Axis TL 8	2,863.64	6,300.00	Repayable in 22 monthly instalments from April-2023
SCB 190cr	9,500.00	19,000.00	Repayable in 8 quarterly instalments from May-2023
SCB 30cr	-	3,000.00	Repayable in 1 Bullet Payment instalments from February-2024
Punjab and Sind	6,675.74	9,999.73	Repayable in 36 monthly instalments from April-2023
ICICI TL 6	3,666.67	5,500.00	Repayable in 9 quarterly instalments from July-2023
IDFC	14,285.01	25,000.00	Repayable in 21 monthly instalments from July-2023
Karur Vysya Bank 2	1,875.00	-	Repayable in 8 quarterly instalments from November-2023
Axis TL 8B	2,354.55	-	Repayable in 22 monthly instalments from August-2023
SCB 3A(1)	1,484.38	-	Repayable in 8 quarterly instalments from August-2023
ICICI 6B	2,177.78	-	Repayable in 9 quarterly instalments from October-2023
HDFC	3,125.00	-	Repayable in 24 monthly instalments from July-2023
Bank of Bahrain & Kuwait 3	2,500.00	-	Repayable in 8 quarterly instalments from September-2023
IDBI	5,624.97	-	Repayable in 24 monthly instalments from October-2025

RANGAMANI & CO CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD PUNNEN ROAD TRIVANDRUM

Name of Party	Outstanding as at March 31st 2024	Outstanding as at March 31st 2023	Terms of Repayment
DBS	7,838.32	-	Repayable in 24 monthly instalments from October-2025
HSBC	3,541.67	-	Repayable in 24 monthly instalments from August-2025
HSBC	3,541.67	-	Repayable in 24 monthly instalments from August-2025
Jana SFB	3,000.00	-	Repayable in 24 monthly instalments from September-2025
Standard Chartered Bank	1,781.25	-	Repayable in 8 quarterly instalments from August-2025
SBI	45,454.74	-	Repayable in 11 quarterly instalments from August-2026
DCB	3,957.57	-	Repayable in 24 monthly instalments from June-2025
ICICI	1,511.11	-	Repayable in 9 quarterly instalments from December-2025
HSBC	1,500.00	-	Repayable in 24 monthly instalments from September-2025
SBM	4,374.99	-	Repayable in 8 quarterly instalments from December-2025
Axis Bank - Tranche 1	12,954.55	-	Repayable in 22 monthly instalments from January-2024
UCO Bank	8,333.07	-	Repayable in 12 quarterly instalments from December-2023
HDFC Bank- Tranche 2	4,166.67	-	Repayable in 24 monthly instalments from December-2023
Karnataka Bank	4,999.85	-	Repayable in 10 quarterly instalments from July-2024
Federal Bank	4,583.31	-	Repayable in 12 quarterly instalments from February-2024
Axis Bank- Tranche 2	4,545.45	-	Repayable in 22 monthly instalments from February-2024
DBS - Tranche 2	9,583.33	-	Repayable in 24 monthly instalments from March-2024
PNB Tranche 1	999.63	-	Repayable in 8 quarterly instalments from March-2024
Woori Bank	4,583.33	-	Repayable in 23 monthly instalments from February-2024
ICBC	3,666.74	-	Repayable in 12 quarterly instalments from March-2024
SCB	3,265.63	-	Repayable in 4 half yearly instalments from July-2024
SCB	2,375.00	-	Repayable in 8 quarterly instalments from November-2023
Axis Bank- Tranche 2	12,000.00	-	Repayable in 22 monthly instalments from May-2024
PNB Tranche 2	8,999.96	-	Repayable in 8 quarterly instalments from June-2024
BOB Tranche 1 - Agri	18,285.71	-	Repayable in 35 monthly instalments from February-2024
BOB Tranche 2 - SME	18,857.14	-	Repayable in 35 monthly instalments from January-2024
HDFC Tranche 1	14,375.00	-	Repayable in 24 monthly instalments from March-2024
YES Bank	14,995.70	-	Repayable in 24 monthly instalments from April-2024
HDFC Tranche 2	10,000.00	-	Repayable in 24 monthly instalments from April-2024
PNB	4,998.59	-	Repayable in 8 quarterly instalments from June-2024
SBM	2,000.00	-	Repayable in 8 quarterly instalments from September-2024
BOM	500.00	-	Repayable in 8 quarterly instalments from September-2024
Punjab and Sind Bank	1,000.63	-	Repayable in 12 quarterly instalments from June-2024
Interest accrued on borrowings	21.81	34.04	
Adjustments on account of effective rate of interest	(6,986.36)	(4,994.89)	
Total	**12,21,302.63**	**9,08,291.15**	
Securitisation arrangements			
Federal Vision	-	254.99	Repayable in 19 fixed instalments from January-2022
CSB Peterson	-	692.98	Repayable in 18 fixed instalments from February-2022
Federal Gamora	-	2,098.37	Repayable in 18 fixed instalments from June-2022
ICICI Cygnus	-	2,670.77	Repayable in 18 fixed instalments from July-2022
L&T Sanders	-	2,915.95	Repayable in 18 fixed instalments from August-2022
Kotak Centaurus	-	2,121.84	Repayable in 17 fixed instalments from August-2022
Federal Ultron	-	3,388.71	Repayable in 17 fixed instalments from October-2022
Axis Numbus Leo 1	-	5,556.62	Repayable in 17 fixed instalments from September-2022
SBI Antenna	-	9,435.72	Repayable in 17 fixed instalments from October-2022
IDBI Kepler	-	5,820.45	Repayable in 15 fixed instalments from December-2022
ICICI Adam	-	7,300.09	Repayable in 17 fixed instalments from January-2023
SBI Aries	4,630.88	27,623.06	Repayable in 18 fixed instalments from March-2023
Axis Numbus Leo 2	2,081.32	12,684.37	Repayable in 17 fixed instalments from April-2023
Federal Rogers	4,761.17	-	Repayable in 16 fixed instalments from July-2023

RANGAMANI & CO. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

Name of Party	Outstanding as at March 31st 2024	Outstanding as at March 31st 2023	Terms of Repayment
Mudra Carins	3,349.18	-	Repayable in 17 fixed instalments from June-2023
Axis Nimbus Leon	6,101.09	-	Repayable in 17 fixed instalments from July-2023
SBI Eve	10,253.01	-	Repayable in 18 fixed instalments from August-2023
Kotak Poseidon	4,045.98	-	Repayable in 17 fixed instalments from August-2023
L&T Mirage	6,167.95	-	Repayable in 16 fixed instalments from August-2023
Kotak Tulip	9,537.92	-	Repayable in 17 fixed instalments from October-2023
ICICI Venus	16,597.49	-	Repayable in 17 fixed instalments from December-2023
Federal RANA	8,060.53	-	Repayable in 15 fixed instalments from January-2024
HSBC Aphrodite	16,069.09	-	Repayable in 18 fixed instalments from January-2024
ICICI Minerva	15,664.51	-	Repayable in 18 fixed instalments from February-2024
IDBI Athena	6,948.80	-	Repayable in 16 fixed instalments from March-2024
Axis Agricola	17,747.36	-	Repayable in 16 fixed instalments from March-2024
Kotak Torterra	10,447.91	-	Repayable in 18 fixed instalments from May-2024
Adjustments on account of effective rate of interest	(274.60)	(257.63)	
Total	**1,42,189.60**	**82,306.31**	

Name of Party	Outstanding as at March 31st 2024	Outstanding as at March 31st 2023	Terms of Repayment
Term Loan from Others			
Bajaj Finance	-	437.50	Repayable in 3 monthly instalments of INR 146 each from April 2023
Bajaj Finance	6,750.00	-	Repayable in 27 monthly instalments of INR 250 lakhs each from April 2024
NABKISAN Finance	8,999.93	-	Repayable in 11 quarterly instalments of INR 818.18 lakhs each from July 2024
Hinduja Housing Finance Company Limited	-	100.00	Repayable in 120 monthly instalments after 12 months from the disbursement
LIC Housing Finance Limited	5,738.82	6,925.62	Repayable in 108 monthly instalments after 12 months from the disbursement
LIC Housing Finance Limited	1,000.00	-	Repayable in 96 monthly instalments after the date of first disbursement on 1st day of every calendar month
Poonawalla FinCorp	4,733.51	-	Repayable in 60 equated monthly instalments after the date of first disbursement on 5th day of every calendar month
Nabsamruddhi Finance Limited	3,791.17	-	Repayable in 60 equated monthly instalments after the date of first disbursement
Northern Arc Capital Limited	-	1,666.64	Repayable in 12 quarterly instalments
Northern Arc Capital Limited	100.00	1,300.00	Repayable in 10 quarterly instalments
Northern Arc Capital Limited	600.00	1,800.00	Repayable in 10 quarterly instalments
Muthoot Capital Services Limited	-	233.33	Repayable in 36 monthly instalments from disbursement
OIKO	-	1,332.80	Repayable in 12 fixed instalments from June-2021
NABARD Refinance	-	2,000.00	Repayable in 11 variable instalments from January-2019
NABARD Refinance	500.00	1,500.00	Repayable in 11 variable instalments from July-2019
NABARD Refinance	440.00	880.00	Repayable in 11 variable instalments from January-2020
Nabfin-2	-	101.27	Repayable in 24 fixed instalments from May-2021
NABKISAN II	-	499.36	Repayable in 12 fixed instalments from June-2021
Capri Global	-	520.83	Repayable in 24 variable instalments from September-2021
Credit Saision	-	1,312.50	Repayable in 8 fixed instalments from February-2022
MAS Financial Services Ltd - 2	-	1,666.67	Repayable in 24 variable instalments from February-2022
Nabsamruddi - Microfinance	520.35	947.69	Repayable in 36 fixed instalments from May-2022
Nabsamruddi - Wash	600.41	1,093.48	Repayable in 36 fixed instalments from May-2022
Nabsamruddi - Solar	80.05	145.80	Repayable in 36 fixed instalments from May-2022
SIDBI IV - 2	3,333.33	7,333.33	Repayable in 30 variable instalments from August-2022
Mudra III	6,668.00	13,940.00	Repayable in 33 fixed instalments from June-2022
Credit Saison II	-	750.00	Repayable in 8 fixed instalments from May-2022
NABKISAN III	1,008.68	2,017.41	Repayable in 12 fixed instalments from June-2022

RANGAMANI CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD PUNNEN ROAD TRIVANDRUM

Name of Party	Outstanding as at March 31st 2024	Outstanding as at March 31st 2023	Terms of Repayment
NABFINS III	91.75	1,032.68	Repayable in 12 fixed instalments from June-2022
Piramal Capital and Housing Finance	95.24	1,238.10	Repayable in 21 fixed instalments from August-2022
Piramal Capital and Housing Finance 2	285.71	2,000.00	Repayable in 21 fixed instalments from September-2022
Tata Capital Services	-	2,750.00	Repayable in 24 variable instalments from July-2022
Sundaram Finance	1,099.27	4,143.69	Repayable in 24 variable instalments from August-2022
Mahindra and Mahindra 3	2,725.32	7,710.81	Repayable in 24 variable instalments from October-2022
Credit Saison 3	875.00	2,625.00	Repayable in 8 fixed instalments from December-2022
Hinduja Leyland Finance 1	-	2,314.44	Repayable in 24 fixed instalments from October-2022
MAS Financial Services 3	500.00	1,500.00	Repayable in 24 variable instalments from October-2022
NABKISAN 4	3,180.76	4,999.86	Repayable in 11 fixed instalments from May-2023
Piramal Enterprises Limited 1	2,380.95	5,000.00	Repayable in 21 variable instalments from May-2023
NABARD 6	18,900.00	30,000.00	Repayable in 11 fixed instalments from June-2023
Aditya Birla Finance Ltd A	1,883.06	3,732.32	Repayable in 24 variable instalments from February-2023
MAS Financial Services 4A	1,125.00	2,625.00	Repayable in 24 variable instalments from January-2023
MAS Financial Services 4B	833.33	1,833.33	Repayable in 24 variable instalments from February-2023
Hinduja Leyland Finance 2	3,956.67	7,500.00	Repayable in 24 fixed instalments from April-2023
JM Financials 2	5,229.25	-	Repayable in 20 fixed instalments from July-2023
Hero Fincorp 4	6,501.80	-	Repayable in 24 variable instalments from July-2023
Nabsamrudhi	3,502.21	-	Repayable in 30 fixed instalments from July-2026
Nabsamrudhi	875.55	-	Repayable in 30 fixed instalments from July-2026
Sundaram Finance	3,646.17	-	Repayable in 24 fixed instalments from August-2025
Credit Saisson	3,750.00	-	Repayable in 8 variable instalments from August-2025
Credit Saisson	2,100.00	-	Repayable in 8 variable instalments from August-2025
Credit Saisson	300.00	-	Repayable in 8 variable instalments from August-2025
HLF	3,466.18	-	Repayable in 24 variable instalments from September-2025
SIDBI	24,193.50	-	Repayable in 31 variable instalments from September-2026
Tata Capital	4,305.56	-	Repayable in 36 variable instalments from September-2026
SIDBI - 6B	25,000.00	-	Repayable in 36 variable instalments from December-2023
TL - MUDRA	15,000.00	-	Repayable in 1 fixed instalments from December-2026
ECB 1 - Responsibility	12,363.00	12,363.00	Repayable in yearly instalments in October-2024, October-2025 & October-2026
ECB 2 - Responsibility	8,185.00	8,185.00	Repayable in yearly instalments in November-2024, November-2025 & November-2026
ECB 3 Blue Orchard	8,210.00	-	Repayable in April-2028
SCB - ECB	20,843.74	-	Repayable in June-2027
Northern Arc II	-	734.08	Repayable in 24 variable instalments from August-2021
Northern Arc	6,923.90	-	Repayable in 24 variable instalments from July-2025
Interest accrued on borrowings	32.01	38.20	
Adjustments on account of effective rate of interest	(1,171.14)	(449.46)	
Total	**2,36,053.07**	**1,50,380.29**	

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RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

(Amount in INR Lakhs, except share data and unless otherwise stated)

20 Subordinated Liabilities

Particulars	As at 31st March 2024	As at 31st March 2023
At amortised cost		
Subordinated Debt	1,08,212.92	1,79,745.30
Subordinated Debt - Listed	38,349.01	-
Tier-I Capital - Perpetual Debt Instruments	67,555.79	48,113.39
Total	**2,14,117.72**	**2,27,858.69**
Borrowings in India	2,14,117.72	2,27,858.69
Borrowings outside India	-	-

(a) Subordinated Debt instruments are unsecured, subordinated to the claims of all other creditors with an initial maturity of minimum 5 years.

(b) Maturity Profile of Subordinated Debt

Particulars	Amount
FY 2024-25	25,991.84
FY 2025-26	15,876.99
FY 2026-27	24,804.50
FY 2027-28	21,254.71
FY 2028-29	45,176.03
FY 2029-30	15,000.00
Adjustments on account of effective rate of interest	(1,542.14)
TOTAL	**1,46,561.93**

(c) Perpetual Debt Instruments are perpetual, unsecured instruments, which have been issued as per RBI guidelines. Unamortised Borrowing Cost on Perpetual Debt Instruments is INR 2,344.21 (31st March 2023: INR 1,786.61)

21 Other Financial Liabilities

Particulars	As at 31st March 2024	As at 31st March 2023
Expenses Payable	5,393.87	3,908.57
Security deposits received	722.46	907.99
Unpaid matured debt and interest accrued thereon	3,764.93	4,828.69
Interest accrued but not due on borrowings	50,745.24	57,897.38
Payable to employees	2,316.12	2,117.75
Payables towards securitisation/assignment transactions	5,216.25	9,203.36
Payable to ARCIL	51.21	192.15
Cumulative Compulsorily Convertible Preference Shares (CCCPS)	16,202.00	15,732.00
Others	8,217.62	6,415.70
Total	**92,629.70**	**1,01,203.58**

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD PUNNEN ROAD TRIVANDRUM

(i) The Group had issued 15,00,00,000, 14% CCCPS of INR 10 each at a price of INR 10 each to BPEA Credit – India Fund III – Scheme C & BPEA Credit – India Fund III – Scheme F (Collectively referred as investors) amounting to INR 15,000. The equity shares issued upon Conversion of the CCPS will in all respects rank pari passu with equity shares at the time of conversion.

(ii) CCCPS shall be convertible to equity shares at the option of the investor at any time after the expiry of a period of 43 (forty three) months from the Closing Date (refer paragraph iii for exception) or upon the expiry of a period of 10 (ten) years from the Closing Date and shall be converted at lower of the fair values of the Equity Shares as determined by the:
(a) valuation report dated December 9, 2020 issued by Ernst & Young Merchant Banking Services LLP in relation to the issuance of the CCCPS; or
(b) valuation report to be issued by a registered valuer (in a form acceptable to the holders of the CCCPS) following the issuance of the Conversion Notice by the holders of the CCCPS.

(iii) The holders of the CCCPS may issue the Conversion Notice at any time after the Closing Date, upon the occurrence of any of the following events:
(a) non-payment of dividend in manner stipulated as per agreement on the relevant dividend payment dates,
(b) credit rating falling below A- (as certified by any credit rating agency); and/or
(c) any failure to maintain a Net Interest Margin of 7.0 (Seven percent) % or higher;
(d) any failure to maintain an overall Capital to Risk Assets Ratio of 16.0 (Sixteen percent) % or higher;
(e) any failure to maintain the aggregate Tier 2 Capital at 50% (Fifty percent) or lower than the aggregate Tier 1 Capital; or
(f) any failure to maintain the Gross Non-Performing Assets at 5.5% (Five decimal five percent) or lower and Net Non-Performing Assets at 4.0% (Four percent) or lower, to be tested on a semi-annual basis for Company as on (a) 31 March of each financial year, and (b) 30 September of each financial year

Note b - Change in fair value

Particulars	As at 31st March 2024	As at 31st March 2023
Cumulative change in fair value of the preference shares attributable to changes in credit risk	1,202.00	732.00
Change during the year in the fair value of the preference shares attributable to changes in credit risk	470.00	519.00

22 Provisions

Particulars	As at 31st March 2024	As at 31st March 2023
Provision for employee benefits		
- Gratuity	1,432.10	761.06
- Provision for compensated absences	663.11	460.98
- Provision for employee stock option plan	1,456.73	355.14
Unspent amount on Corporate Social Responsibilty	25.04	25.04
Impairment on Loan Commitments	17.34	17.35
Total	**3,594.32**	**1,619.57**

23 Other Non-Financial Liabilities

Particulars	As at 31st March 2024	As at 31st March 2023
Statutory dues payable	5,165.24	3,470.76
Other non financial liabilities	4.43	4.69
Total	**5,169.67**	**3,475.45**

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD PUNNEN ROAD TRIVANDRUM

(Amount in INR Lakhs, except share data and unless otherwise stated)

24 Equity share capital

(a) Authorised share capital

Equity Shares

Particulars	No. of Shares	Amount
At 1st April 2022	22,50,00,000	22,500.00
Add: Increased during the year	-	-
At 31st March 2023	22,50,00,000	22,500.00
Add: Increased during the year	-	-
At 31st March 2024	22,50,00,000	22,500.00

Preference Shares

Particulars	No. of Shares	Amount
At 1st April 2022	20,00,00,000	20,000.00
Add: Increased during the year	-	-
At 31st March 2023	20,00,00,000	20,000.00
Add: Increased during the year	-	-
At 31st March 2024	20,00,00,000	20,000.00

(b) Issued capital

Particulars	No. of Shares	Amount
At 1st April 2022	19,38,00,800	19,380.08
Add: Increased during the year	-	-
At 31st March 2023	19,38,00,800	19,380.08
Add: Increased during the year	-	-
At 31st March 2024	19,38,00,800	19,380.08

(c) Subscribed and Fully Paid Up Capital

Particulars	No. of Shares	Amount
At 1st April 2022	19,37,05,560	19,370.56
Add: Increased during the year	-	-
At 31st March 2023	19,37,05,560	19,370.56
Add: Increased during the year	-	-
At 31st March 2024	19,37,05,560	19,370.56

(d) Terms/ rights attached to equity shares :

The Group has only one class of shares namely equity shares having a face value of INR 10. Each holder of equity share is entitled to one vote per share. All shares rank pari passu with regard to dividend and repayment of capital. In the event of liquidation of Company, the holder of equity shares will be entitled to receive any of the remaining assets of the Group, after distribution of all preferential amounts.

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

(e) Shareholder's having more than 5% equity shareholding in the Group

Particulars	As at 31st March 2024	As at 31st March 2023
	No. of shares and % of holding	
Mr. Thomas John Muthoot *	5,14,56,049 - 26.56%	5,14,56,049 - 26.56%
Mr. Thomas George Muthoot *	5,14,56,021 - 26.56%	5,14,56,021 - 26.56%
Mr. Thomas Muthoot *	5,14,56,053 - 26.56%	5,14,56,053 - 26.56%
Ms. Preethi John Muthoot	1,29,13,704 - 6.67%	1,29,13,704 - 6.67%
Ms. Nina George	1,29,13,704 - 6.67%	1,29,13,704 - 6.67%
Ms. Remy Thomas	1,29,13,704 - 6.67%	1,29,13,704 - 6.67%

** Shares held by the promoters and their shareholding % of holding at the end of the year*

25 Other Equity

Particulars	As at 31st March 2024	As at 31st March 2023
Securities Premium	38,129.85	38,129.85
Statutory Reserve (Pursuant to Section 45-IC of the RBI Act 1934)	96,552.71	76,304.92
Statutory Reserve (Pursuant to Section 29C of the NHB Act 1987)	3,318.56	2,618.56
Retained Earnings	2,67,475.57	2,30,294.36
General Reserve	(75.42)	48.56
Employee stock options outstanding	1,701.22	730.55
Other Comprehensive income	6,893.74	5,860.25
Total	**4,13,996.25**	**3,53,987.04**

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RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

(Amount in INR Lakhs, except share data and unless otherwise stated)

26 Interest Income

Particulars	For the Year Ended 31st March 2024	For the Year Ended 31st March 2023
On Financial Assets measured at Amortised Cost		
Interest on Loans	5,42,156.04	4,54,794.55
Interest Income from Investments	-	98.88
Interest on Deposit with Banks	5,592.20	3,610.05
Other Interest Income	18.91	107.40
On Financial Assets measured at fair value through other comprehensive income		
Interest on Loans	50,636.29	24,146.19
Total	**5,98,403.44**	**4,82,757.07**

27 Net gain on fair value changes

Particulars	For the Year Ended 31st March 2024	For the Year Ended 31st March 2023
(i) On trading portfolio		
- Investments	373.34	201.14
(ii) On financial instruments designated at fair value through profit or loss	148.75	229.07
(iii) Gain on sale of loans assets recognised through profit & loss account	30,499.43	11,153.74
(iv) Loss on fair valuation of cumulative, compulsorily convertible preference shares	(470.00)	(519.00)
Total Net gain/(loss) on fair value changes	**30,551.52**	**11,064.95**
Fair Value changes:		
- Realised	23,760.64	11,539.12
- Unrealised	6,790.88	(474.16)
Total	**30,551.52**	**11,064.95**

28 Others

Particulars	For the Year Ended 31st March 2024	For the Year Ended 31st March 2023
Income from Money transfer	476.73	657.10
Income From Forex operations	994.72	330.17
Income From Power generation	886.41	879.84
Income from Investment	2,649.55	1,463.84
Income from Software support service	114.82	108.37
Bad debt recovered	941.84	1,435.91
Other financial services	520.49	510.00
Other income	555.69	352.03
Total	**7,140.25**	**5,737.27**

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

29 Other Income

Particulars	For the Year Ended 31st March 2024	For the Year Ended 31st March 2023
Non-operating income	481.84	2,143.83
Total	**481.84**	**2,143.83**

30 Finance Costs

Particulars	For the Year Ended 31st March 2024	For the Year Ended 31st March 2023
Interest on borrowings	1,98,956.66	1,37,383.43
Interest on debt securities	45,500.64	44,701.36
Interest on lease liabilities	11,461.06	10,145.50
Interest on subordinate liablities	18,062.78	22,495.63
Dividend on CCCPS	2,100.00	2,100.00
Other charges	6,727.60	6,425.75
Total	**2,82,808.74**	**2,23,251.68**

31 Impairment of Financial Instruments

Particulars	For the Year Ended 31st March 2024	For the Year Ended 31st March 2023
Loans- at amortised cost	(5,050.41)	7,850.67
Loans written off / waived off	26,130.18	20,958.22
Total	**21,079.77**	**28,808.90**

32 Employee Benefits

Particulars	For the Year Ended 31st March 2024	For the Year Ended 31st March 2023
Salaries and Wages	1,14,571.65	86,469.65
Contributions to Provident and Other Funds	7,156.38	5,562.22
Incentives	4,658.93	2,193.44
Bonus & Exgratia	1,570.88	1,412.78
Gratuity & Leave encashment	596.15	277.19
Share based payments	2,356.20	1,020.25
Staff Welfare Expenses	1,941.59	1,803.58
Total	**1,32,851.77**	**98,739.11**

33 Depreciation Expense

Particulars	For the Year Ended 31st March 2024	For the Year Ended 31st March 2023
Depreciation of Tangible Assets	6,978.91	5,624.89
Depreciation of Right of Use Assets	16,631.29	15,187.34
Amortization of Intangible Assets	878.83	815.46
Total	**24,489.03**	**21,627.70**

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD PUNNEN ROAD TRIVANDRUM

34 Other Expenses

Particulars	For the Year Ended 31st March 2024	For the Year Ended 31st March 2023
Advertisement and publicity	4,531.63	8,910.35
AMC Charges	79.75	52.76
Auditor's fees and expenses	140.18	131.65
Communication costs	8,509.36	9,057.51
Director's fees, allowances and expenses	844.21	668.99
Donations & CSR Expenses	818.51	568.22
Impairment on assets held for sale	295.22	336.36
Insurance	1,646.96	1,446.87
Legal & Professional Charges	8,639.82	4,820.99
Office Expenses	675.67	506.26
Other Expenditure	1,856.04	1,499.92
Printing and Stationery	1,699.90	1,537.85
Rent, taxes and energy costs	5,780.50	6,539.16
Repairs and maintainence	3,066.09	2,775.15
Security Charges	4,415.74	4,863.51
Software Licence and Subscription charges	2,160.50	793.62
Account written off	-	2,345.48
Travelling and Conveyance	8,221.89	6,350.60
Water Charges	18.57	16.81
Total	**53,400.54**	**53,222.07**

(a) Auditors Remuneration

Particulars	For the Year Ended 31st March 2024	For the Year Ended 31st March 2023
As auditor		
Statutory Audit fees	85.50	82.50
Limited review fees	21.00	21.00
Tax Audit fees	7.00	7.00
For other services		
Certification and other matters	11.00	9.00
For reimbursement of expenses		
Out of pocket expenses	5.80	2.70
Total	**130.30**	**122.20**

Above figures are exclusive of GST

(b) CSR Expenditure

As required under Section 135 of the Companies Act, 2013, the Group was required to spend INR 1,308.02 in the reporting year in pursuance of its Corporate Social Responsibility Policy, being two per cent of the average net profits made during the three immediately preceding financial years. The Group has during the year, spent a total of INR 817.82 towards CSR expenditure (including INR 166.54 out of earlier year unspent transferred to designated bank account). The unspent portion of INR 656.74 has been transferred to the designated bank account for Unspent Corporate Social Responsibility by the Group.

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

Particulars	For the Year Ended 31st March 2024	For the Year Ended 31st March 2023
(a) Amount required to be spent by the Group during the year	1,308.02	959.62
(b)Amount of expenditure incurred	651.28	566.39
(c) Shortfall at the end of the year	656.74	393.23
(d) Total of previous year shortfall	653.46	426.77
(e) Reason for shortfall	To better serve the students, the project's scope was expanded from solely offering a sports facility for football, volleyball, cricket, and other sports to establishing a comprehensive sports academy. This academy will not only provide top-tier sports training but also include educational facilities where students can attend regular academic classes, all meeting international standards. This change was prompted by the unavailability of schools we initially planned to partner with. Groundwork at the site is underway, and we are currently updating the architectural plans to accommodate these enhanced specifications.	With regard to the Sports Infrastructure project at Palakkad, based on advise from Architects, a wider road alternative had to be considered, evaluation and negotiations of which delayed the start of the construction work.
(f) Nature of CSR activities	CSR activities were undertaken in the fields of Health, Education & Livelihood.	CSR activities were undertaken in the fields of Health, Education & Livelihood.
(g) Details of related party trasactions	N/A	N/A
(h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	N/A	N/A

(c) In view of regulatory advise and based on approval of the Board of Directors, the Company had during the year written off non-financial assets amounting to INR Nil (INR 2,345.48 during the year ended March 31, 2023) against Employees Provident Fund recovered from the Company in respect of dues towards provident func of erstwhile staff.

35 Earnings Per Share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Parent Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of Parent Company (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

Particulars	For the Year Ended 31st March 2024	For the Year Ended 31st March 2023
Net profit attributable to ordinary equity holders of the parent	88,493.87	58,877.43
Weighted average number of equity shares for basic earnings per share	19,37,05,560	19,37,05,560
Effect of dilution	74,92,507	74,92,507
Weighted average number of equity shares for diluted earnings per share	20,11,98,067	20,11,98,067
Earnings per share		
Basic earnings per share (INR)	45.68	30.40
Diluted earnings per share (INR)	43.98	29.26

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RANGAMANI & Co.
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(Amount in INR Lakhs, except share data and unless otherwise stated)

36 Income Tax

The components of income tax expense for the year ended March 31st 2024 and year ended March 31st 2023 are:

Particulars	For the Year Ended 31st March 2024	For the Year Ended 31st March 2023
Current tax	35,810.60	25,252.16
Deferred tax relating to origination and reversal of temporary differences	908.71	(2,663.94)
Tax relating to prior years	137.17	-
Income tax expense reported in statement of profit and loss	**36,856.47**	**22,588.22**
OCI Section		
Deferred tax related to items recognised in OCI during the period:		
Net gain / (loss) on equity instruments measured through other comprehensive income	(157.28)	138.87
Remeasurement of loan assets	(551.28)	(1,380.92)
Remeasurement of the defined benefit liabilities	203.39	38.99
Income tax charged to OCI	**(505.17)**	**(1,203.06)**

Reconciliation of the total tax charge:

The tax charge shown in the statement of profit and loss differ from the tax charge that would apply if all the profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31st 2024 and year ended March 31st 2023 are as follows:

Particulars	For the Year Ended 31st March 2024	For the Year Ended 31st March 2023
Accounting profit before tax	1,41,654.23	87,230.54
At India's statutory income tax rate of 25.168%* (2023: 25.168%)	**35,651.54**	**21,954.18**
Tax effects of adjustments		
Non deductible items	768.26	625.51
Adjustment on account of different tax rates	3.16	5.85
Others	(17.30)	2.68
Income tax expense reported in the statement of profit or loss	**36,719.31**	**22,588.21**
Effective Income Tax Rate	**25.92%**	**25.89%**

Tax relating to earlier years:

The tax relating to earlier years charged to the statement of profit & loss during the year is net of tax expense pertaining to prior years of Muthoot Fincorp Limited amounting to INR 2,522.41 and reversal of tax expense pertaining to prior years of Muthoot Microfin Limited amounting to INR 2,385.24.

Based on the order passed by the Income Tax Interim Board for Settlement, Muthoot Fincorp had voluntarily ascertained and remitted income tax aggregating to 2,522.41 during the current year, the tax of which pertained to assessment years 2010-11 to 2017-18, which has been charged to the statement of profit and loss as tax relating to earlier years. The said amount of tax pertains to notices under Section 148 for Assessment Year 2010-11 and Section 153A for the Assessment Years 2011-2012 to 2016-2017 and for Assessment Year 2017-18, assessment of which was deemed to be pending by virtue of explanation (iv) to Section 245A(b) as on date of filing the settlement application.

The reversal of tax expense relating to earlier years of Muthoot Microfin Limited pertained to reversal of excess provision for tax created for AY 2023-24 amounting to INR 2,752.36 and Income tax liability discharged based on notice of demand u/s 156 in relation to re-assessment for the AY 2019-20 of INR 367.11.

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

(Amount in INR Lakhs, except share data and unless otherwise stated)

Income Tax (contd...)

Movement in deferred tax assets/(liabilities)

Particulars	As at 31st March 2022	Recognised in Statement of Profit and Loss	Recognised in Statement of other comprehensive income	Adjusted to Retained Earnings / Other Comprehensive Income	As at 31st March 2023
Deductible temporary difference on account of depreciation and amortisation	3,083.02	75.56	-	-	3,158.58
Bonus disallowed due to non-payment	476.56	28.30	-	-	504.86
Provision for employee benefits	97.78	77.88	(16.58)	-	159.08
Provision for Investment Rate Fluctuation	57.48	-	-	-	57.48
Expected credit loss provision on financial assets	9,085.80	840.48	-	-	9,926.27
Financial assets measured at amortised cost	1,195.67	960.80	-	-	2,156.47
Fair Valuation of Financial Assets	1,984.38	(101.18)	129.27	-	2,012.47
Financial liabilities measured at amortised cost	(1,386.18)	(630.72)	-	-	(2,016.89)
Financial liabilities measured at fair value	53.61	911.09	-	-	964.70
Direct assignment transactions	(5,666.84)	24.09	(1,381.44)	-	(7,024.19)
Special reserve	(444.19)	(138.44)	-	-	(582.63)
EIS receivable	(206.63)	84.74	-	-	(121.89)
Fair value of future lease obligations in accordance with Ind AS 116	327.79	168.57	-	-	496.37
Other items giving rise to temporary differences	691.02	362.80	55.60	-	1,109.41
Cash flow hedge reserve	-	-	10.11	-	10.11
Minimum Alternate tax credit entitlement	56.62	-	-	-	56.62
Carry Forward Losses and Unabsorbed Depreciation	82.81	-	-	-	82.81
Reversal of Previous Years	(257.86)	-	-	-	(257.86)
Reversal on account of Tax rate change	(3,266.63)	-	-	-	(3,266.63)
Round Off Adjustment	0.11	(0.04)	(0.02)	-	0.05
Total	**5,964.31**	**2,663.94**	**(1,203.06)**	**-**	**7,425.19**

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RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

Income Tax (contd...)

Movement in deferred tax assets/(liabilities)

Particulars	As at 31st March 2023	Recognised in Statement of Profit and Loss	Recognised in Statement of other comprehensive income	Adjusted to Retained Earnings / Other Comprehensive Income	As at 31st March 2024
Deductible temporary difference on account of depreciation and amortisation	3,158.58	112.43	-	-	3,271.01
Bonus disallowed due to non-payment	504.86	40.10	-	-	544.97
Provision for employee benefits	159.08	(48.48)	112.85	-	223.46
Provision for Investment Rate Fluctuation	57.48	-	-	-	57.48
Expected credit loss provision on financial assets	9,926.27	(2,568.94)	-	-	7,357.34
Financial assets measured at amortised cost	2,156.47	952.96	-	-	3,109.43
Fair Valuation of Financial Assets	2,012.47	1,631.16	(155.33)	-	3,488.32
Financial liabilities measured at amortised cost	(2,016.89)	(602.01)	-	-	(2,618.90)
Financial liabilities measured at fair value	964.70	498.13	-	-	1,462.83
Direct assignment transactions	(7,024.19)	(766.83)	(550.75)	-	(8,341.75)
Special reserve	(582.63)	(145.72)	-	-	(728.35)
EIS receivable	(121.89)	34.21	-	-	(87.68)
Fair value of future lease obligations in accordance with Ind AS 116	496.37	160.59	-	-	656.96
Other items giving rise to temporary differences	1,109.41	(204.37)	90.72	-	995.78
Cash flow hedge reserve	10.11	(1.89)	(2.66)	-	5.56
Minimum Alternate tax credit entitlement	56.62	-	-	-	56.62
Carry Forward Losses and Unabsorbed Depreciation	82.81	-	-	-	82.81
Reversal of Previous Years	(257.86)	-	-	-	(257.86)
Reversal on account of Tax rate change	(3,266.63)	-	-	-	(3,266.63)
Round Off Adjustment	0.05	(0.06)	-	-	(0.01)
Total	**7,425.19**	**(908.71)**	**(505.17)**	**-**	**6,011.38**

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

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MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

(Amount in INR Lakhs, except share data and unless otherwise stated)

37 Retirement Benefit Plan

Defined Contribution Plan

The Group makes contributions to Provident Fund & Employee State Insurance which are defined contribution plans for qualifying employees. The amounts recognized for the aforesaid contributions in the statement of profit and loss are shown below:

Particulars	As at 31st March, 2024	As at 31st March, 2023
Contributions to Provident Fund	5,726.03	4,411.06
Contributions to Employee State Insurance	1,371.62	1,103.65
Defined Contribution Plan	**7,097.66**	**5,514.70**

Defined Benefit Plan

The Group has a defined benifit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on leaving the service of the Group at 15 days salary (last drawn salary) for each completed year of service.

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.

Particulars	As at 31st March, 2024	As at 31st March, 2023
Present value of funded obligations	5,794.67	4,763.27
Fair value of planned assets	4,362.57	4,002.20
Defined Benefit obligation/(asset)	**1,432.10**	**761.06**

Post employment defined benefit plan

Net benefit expense recognised in statement of profit and loss	As at 31st March, 2024	As at 31st March, 2023
Current service cost	886.38	710.04
Net Interest on net defined benefit liablity/ (asset)	55.60	43.08
Net benefit expense	**941.99**	**753.12**

Balance Sheet

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

Particulars	As at 31st March, 2024	As at 31st March, 2023
Defined benefit obligation at the beginning of the year	4,763.27	4,322.66
Current service cost	886.38	710.04
Interest cost on benefit obligations	351.75	291.96
Actuarial (Gain) / Loss on Total Liabilities	725.72	133.93
Benefits paid	(932.45)	(695.32)
Benefit obligation at the end of the year	**5,794.67**	**4,763.27**

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

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

Particulars	As at 31st March, 2024	As at 31st March, 2023
Fair value of plan assets at the beginning of the year	4,002.20	3,629.98
Actual Return on Plan Assets	213.85	227.88
Employer contributions	1,060.51	808.88
Benefits paid	(913.99)	(664.54)
Fair value of plan assets as at the end of the year	**4,362.57**	**4,002.20**

Remeasurement gain/ (loss) in other comprehensive income (OCI)	As at 31st March, 2024	As at 31st March, 2023
Actuarial changes arising from changes in financial assumptions	(93.73)	108.21
Experience adjustments	(631.99)	(242.13)
Return on Plan assets, excluding amount included in net interest on the net defined benefit liablity/(asset)	(82.40)	(21.00)
Actuarial (gain) / loss (through OCI)	**(808.12)**	**(154.93)**

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

Particulars	As at 31st March, 2024	As at 31st March, 2023
Salary Growth Rate	3% to 12%	3% to 12%
Discount Rate	7.13% to 7.18%	7.29% to 7.46%
Withdrawal Rate	5% to 29.59%	5% to 31%
Mortality	100% of IALM 2012-14	100% of IALM 2012-14
Interest rate on net DBO	5.15% to 7.46%	5.15% to 7.12%
Expected average remaining working life	2 Yrs to 32.77 Yrs	2 Yrs to 32.76 Yrs

Investments quoted in active markets:

Particulars	As at 31st March, 2024	As at 31st March, 2023
Equity instruments	-	-
Debt instruments	-	-
Real estate	-	-
Derivatives	-	-
Investment Funds with Insurance Group	0 - 100%	0 - 100%
Of which, Unit Linked	-	-
Of which, Traditional/ Non-Unit Linked	0 - 100%	0 - 100%
Asset-backed securities	-	-
Structured debt	-	-
Cash and cash equivalents	-	-
Total	0-100%	0-100%

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

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MUTHOOT FINCORP LTD. PUNNEN ROAD

A quantitative sensitivity analysis for significant assumptions as at March 31, 2024 and March 31, 2023 are as shown below:

Assumptions	Sensitivity Level	As at 31st March, 2024	As at 31st March, 2023
Discount Rate	Increase by 1%	5,494.32	4,500.20
Discount Rate	Decrease by 1%	6,138.94	5,063.50
Further Salary Increase	Increase by 1%	6,175.80	5,063.16
Further Salary Increase	Decrease by 1%	5,455.85	4,498.16
Employee turnover	Increase by 1%	5,844.24	4,817.51
Employee turnover	Decrease by 1%	5,736.17	4,699.67
Mortality Rate	Increase in expected lifetime by 1 year	5,785.88	4,749.34
Mortality Rate	Increase in expected lifetime by 1 years	5,812.51	4,720.92

1. The weighted average duration of the defined benefit obligation as at 31st March 2024 is 5 to 10 years (2023: 4 to 11 years).

2. Gratuity liability is funded through a Gratuity Fund managed by Life Insurance Corporation of India Ltd.

3. 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.

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

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 in flation, seniority, promotion, increments and other relevant factors.

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

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MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

(Amount in INR Lakhs, except share data and unless otherwise stated)

38 Maturity analysis of assets and liabilities

Particulars	As at 31st March, 2024			As at 31st March, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	2,41,911.80	-	2,41,911.80	3,35,294.75	-	3,35,294.75
Bank Balance other than above	53,192.19	24,216.03	77,408.22	34,666.76	23,126.37	57,793.13
Trade receivables	2,974.48	654.06	3,628.54	1,316.81	1,811.69	3,128.49
Loans	25,79,291.33	7,06,706.49	32,85,997.82	21,13,089.89	4,59,814.01	25,72,903.90
Investments	8,704.10	8,622.98	17,327.08	4,287.97	10,943.49	15,231.46
Other financial assets	28,778.17	13,956.41	42,734.58	17,612.19	5,006.98	22,619.16
Non-financial Assets						
Current tax assets (net)	1,788.70	1,497.04	3,285.74	-	1,249.67	1,249.67
Deferred tax assets (net)	-	14,154.78	14,154.78	-	13,547.86	13,547.86
Investment Property	-	26,119.76	26,119.76	-	26,119.76	26,119.76
Property, plant and equipment	-	47,751.65	47,751.65	-	45,646.57	45,646.57
Intangible assets under development	-	691.44	691.44	-	880.25	880.25
Other intangible assets	-	2,854.88	2,854.88	-	1,731.77	1,731.77
Right-of-use assets	16,125.95	81,821.01	97,946.96	13,703.08	78,164.60	91,867.68
Other non financial assets	6,379.44	2,220.86	8,600.30	23,845.11	1,601.25	25,446.36
Total assets	**29,39,146.15**	**9,31,267.40**	**38,70,413.55**	**25,43,816.54**	**6,69,644.27**	**32,13,460.81**
Liabilities						
Financial Liabilities						
Derivative Financial Liability	239.64	-	239.64	89.19	-	89.19
Payables	6,484.32	-	6,484.32	6,164.34	-	6,164.34
Debt Securities	1,02,512.08	2,80,764.21	3,83,276.28	2,08,071.50	2,33,586.54	4,41,658.04
Borrowings (other than debt security)	16,31,736.93	8,32,589.26	24,64,326.19	13,17,039.46	5,77,503.53	18,94,542.99
Lease Liability	24,247.83	88,538.74	1,12,786.57	20,644.13	82,058.78	1,02,702.92
Subordinated Liabilities	25,991.84	1,88,125.88	2,14,117.72	47,775.65	1,80,083.04	2,27,858.69
Other Financial liabilities	63,438.50	29,191.20	92,629.70	59,218.07	41,985.50	1,01,203.58
Non-financial Liabilities						
Current tax liabilities (net)	-	-	-	2,305.00	-	2,305.00
Provisions	1,085.23	2,509.09	3,594.32	483.41	1,136.17	1,619.57
Deferred tax liabilities (net)	-	8,143.40	8,143.40	-	6,122.67	6,122.67
Other non-financial liabilities	5,169.67	-	5,169.67	3,475.45	-	3,475.45
Total Liabilities	**18,60,906.05**	**14,29,861.78**	**32,90,767.82**	**16,65,266.21**	**11,22,476.23**	**27,87,742.44**
Net	10,78,240.11	-4,98,594.38	5,79,645.73	8,78,550.33	-4,52,831.96	4,25,718.37

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

39 Contingent Liabilities (to the extent not provided for)

Particulars	As at 31st March 2024	As at 31st March 2023
(i) Contingent Liabilities		
(i) Income Tax Demands	3,679.87	3,420.85
(ii) Service Tax Demands	5,106.18	5,106.18
(iii) Value Added Tax Demands	-	1,327.12
(iv) Goods and Services Tax	790.52	-
(v) Bank Guarantees	215.50	43.81
(vi) Cash Margin on Securitisation	54,980.00	33,819.60

(vii) The Company had filed a Writ Petition before the Honourable High Court of Madras on 30th July, 2019 challenging the Order passed by the Income Tax Settlement Commission, Chennai Bench abating the proceedings before it relating to the Settlement Application filed by the Company dated December 17, 2017 ("Settlement Application"); and praying for stay on proceedings initiated by the Joint Commissioner of Income Tax (OSD), Central Circle, Thiruvananthapuram post abatement of proceedings by the Settlement Commission. The tax and interest due on the issues forming part of the Settlement Application totaled to ₹ 7,406 lakh. The Settlement Application related to notices received under Section 148 for Assessment Year 2010-11 and Section 153A of the Income Tax Act, as per which MFL was required to prepare true and correct return of which MFL was assessable for the Assessment Years 2011-2012 to 2016-2017 and for Assessment Year 2017-18, assessment of which was deemed to be pending by virtue of explanation (iv) to Section 245A(b) as on date of filing the settlement application. The Honourable High Court of Madras dismissed the petition filed by the Company on June 29, 2022 on the ground that the cause of action of the matter has arisen fully in Kerala and not within the territorial jurisdiction of the Honourable Madras High Court, thereby ousting its jurisdiction to entertain the petition. Accordingly, Company filed a writ petition before the High Court of Kerala, wherein the High Court passed an order on April 03, 2023 directing the interim board for settlement to reconsider the settlement application and to start afresh. The Interim Board of Settlement has passed an order dated November 15, 2023 opining on the settlement of income under the matter along with the interest to be charged and granting immunity to MFL from prosecution and penalty imposed under the Income Tax Act. The Deputy Commissioner of Income Tax, Central Circle, Thiruvananthapuram subsequently passed Orders giving effect to the Order of the Honorable Interim Board for Settlement for the Assessment Years 2010-11 to 2017-18 with demands aggregating to Rs.13,892.97 lakhs and refunds aggregating to Rs.4,675.93 lakhs. The said Orders were received on March 19, 2024. The Company evaluated the Orders passed and identified incorrect computations which has been intimated to the Central Circle, Thiruvananthapuram.

(viii) Other commitments

Loan commitment in respect of partly disbursed loans is INR 8,418.97 (31 March 2023 : INR 5,556.85).

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

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MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

40 Related Party Disclosures

Names of Related parties with whom transaction has taken place

(A) Subsidiaries

Muthoot Microfin Limited
Muthoot Housing Finance Company Limited
Muthoot Pappachan Technologies Private Limited

(B) Key Management Personnel	**Designation**
Thomas John Muthoot	Managing Director
Thomas George Muthoot	Director
Thomas Muthoot	Wholetime Director Cum Chief Financial Officer
Preethi John Muthoot	Director
Kurian Peter Arattukulam	Director
Vikraman Ampalakkat	Director
Badal Chandra Das	Director
Ravi Ramchandran	Director
Anthony Abraham Thomas	Director
Sachu Sivas	Company Secretary

(C) Enterprises owned or significantly influenced by key management personnel or their relatives

MPG Hotels and Infrastructure Ventures Private Limited
Muthoot Automotive (India) Private Limited
Muthoot Automobile Solutions Private Limited
Muthoot Capital Services Limited
Muthoot Motors Private Limited
Muthoot Risk Insurance and Broking Services Private Limited
Muthoot Pappachan Chits (India) Private Limited
Muthoot Exim Private Limited
Muthoot Kuries Private Limited
MPG Security Group Private Limited
Muthoot Estate Investments
Muthoot Motors (Cochin)
Muthoot Pappachan Foundation
M-Liga Sports Excellence Private Limited
Thinking Machine Media Private Limited
Muthoot Hotels Private Limited
Speckle Internet Solutions Private Limited
Muthoot Pappachan Centre of Excellence in Sports

(D) Relatives of Key Management Personnel

Janamma Thomas
Nina George
Remmy Thomas
Thomas M John
Suzannah Muthoot
Hannah Muthoot
Tina Suzanne George
Ritu Elizabeth George
Shweta Ann George

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

Related Party transactions during the year:

Particulars	Key Management Personnel & Directors		Relatives of Key Management Personnel		Entities over which Key Management Personnel and their relatives are able to exercise significant influence	
	Year Ended 31st March 2024	Year Ended 31st March 2023	Year Ended 31st March 2024	Year Ended 31st March 2023	Year Ended 31st March 2024	Year Ended 31st March 2023
Revenue						
Auction of Gold Ornaments	-	-	-	-	4,370.43	2,653.27
Commission Received	-	-	-	-	1,498.69	1,359.67
Rent received	-	-	-	-	332.54	304.74
Revenue from Travel Services	5.96	1.54	-	0.40	83.81	47.81
Interest accrued on loans & advances	1,800.00	1,964.98	-	-	-	-
Processing fee received	-	37.50	-	-	-	-
Interest on ICD	-	-	-	-	-	44.49
Professional Charges-IT support	-	-	-	-	113.26	107.63
Expense						
Commission Paid	750.00	600.00	-	-	1.39	2.10
Interest paid	263.38	544.07	35.77	71.83	461.19	318.80
Hotel Service payments	-	-	-	-	40.23	28.16
Professional & Consultancy Charges	-	-	-	-	2,099.21	2,095.55
Purchase of Gold / Silver Coins	-	-	-	-	6.34	3.02
Reimbursement of Expenses	-	-	-	-	(13.54)	(32.82)
Rent paid	234.48	199.68	-	-	20.16	19.60
Remuneration Paid	7,512.75	6,008.79	106.28	52.37	-	-
Annuity insurance	-	203.60	-	-	-	-
Sitting Fee paid	24.50	13.75	-	-	-	-
Incentive paid	-	-	-	-	245.64	63.34
Marketing Expense	-	-	-	-	-	50.00
Trademark fee	1.00	1.00	-	-	-	-
Repairs and maintenance	-	-	-	-	0.18	4.73
Asset						
Advance for CSR Activities	-	-	-	-	736.46	577.09
Loans Advanced	-	15,000.00	-	-	-	-
Loan repayments received	-	(19,900.00)	-	-	-	-
Purchase of shares of MML	1,016.43	18,608.52	2,032.87	4,616.48	-	-
ICD advanced	-	-	-	-	-	7,000.00
ICD repaid	-	-	-	-	-	(7,000.00)
Refund received against advance for property	-	(1,588.53)	-	(133.87)	(19,000.17)	(5,277.60)

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RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

Related Party transactions during the year (contd.):

Particulars	Key Management Personnel & Directors		Relatives of Key Management Personnel		Entities over which Key Management Personnel and their relatives are able to exercise significant influence	
	Year Ended 31st March 2024	Year Ended 31st March 2023	Year Ended 31st March 2024	Year Ended 31st March 2023	Year Ended 31st March 2024	Year Ended 31st March 2023
Liability						
Advance received towards Owners share	-	-	-	-	475.00	600.00
Investment in Debt Instruments	-	-	7.00	0.50	-	-
Redemption of Investment in Debt Securities	(395.00)	-	(79.91)	(155.00)	(75.21)	(24.99)
Security Deposit Accepted	-	-	-	-	115.00	87.36
Security Deposit Repaid	-	-	-	-	(104.69)	(70.95)
Loan Availed	-	350.00	-	-	500.00	860.00
Loan Repaid	-	(400.09)	-	-	(233.33)	(900.00)
Guarantee given	-	-	-	-	50.00	-
Dividend Paid	18,032.98	1,170.97	2,784.31	180.80	64.17	4.17

Balance outstanding as at the year end:

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Entities over which Key Management Personnel and their relatives are able to exercise significant influence	
	Year Ended 31st March 2024	Year Ended 31st March 2023	Year Ended 31st March 2024	Year Ended 31st March 2023	Year Ended 31st March 2024	Year Ended 31st March 2023
Asset						
Advance for CSR Activities	-	-	-	-	86.32	10.71
Advance for Property/Shares	-	-	-	-	-	19,000.17
Advance received towards Owners share	-	-	-	-	3,149.67	2,859.42
Commission Receivable	-	-	-	-	170.80	129.53
Expense Reimbursements Receivable	-	-	-	-	0.91	1.09
Interest on Loan Receivable	774.25	774.25	-	-	-	-
Loans Advanced	15,000.00	15,000.00	-	-	-	-
Rent Receivable	-	-	-	-	27.58	14.60
Travel Service Receivables	2.44	1.99	-	-	33.48	7.90
Debtors	-	-	-	-	4.43	-
Investment in Equity Outstanding	-	-	-	-	226.00	226.00
Liability						
Collection balance payable	-	-	-	-	0.12	-
Commission Payable	-	-	-	-	41.78	0.04
Guarantee given	-	-	-	-	50.00	-
Interest Payable	-	13.88	3.14	6.44	5.26	15.35
Rent Payable	11.21	10.68	-	-	1.90	1.77
Investment in Debt Instruments	-	395.00	232.64	305.55	114.14	159.66
PDI issued	1,750.00	4,045.00	35.00	390.00	3,470.00	2,793.00
Professional & Consultancy Charges payable	-	-	-	-	0.22	-
Security Deposit received	3.58	3.58	-	-	59.33	49.01
Loan outstanding	401.78	350.00	-	-	920.00	653.33
Expense Payable	-	1.08	-	-	-	1.15

RANGAMANI & CO. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

Note

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

Compensation of key management personnel of the Company:

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

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
Short-term employee benefits	7,537.04	6,022.54
Post-employment benefits	0.22	203.60
Total compensation paid to key managerial personnel	**7,537.25**	**6,226.14**

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

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MUTHOOT FINCORP LTD PUNNEN ROAD TRIVANDRUM

(Amount in INR Lakhs, except share data and unless otherwise stated)

41 Fair Value Measurement

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 (i.e., an exit price), 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.

Fair Value Hierarchy of assets and liabilities

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy as at 31st March 2024:

Particulars	At FVTPL			
	Level-1	Level-2	Level-3	Total
Financial Assets				
Investment in JM Financial India Fund II	275.38	-	-	275.38
Investment in Strugence Debt Fund	-	997.61	-	997.61
Investments in Mutual Fund	4,203.91	-	-	4,203.91
Investments in Security Receipts	-	-	2,135.35	2,135.35
Financial Liabilities				
Cumulative Compulsorily Convertible Preference Shares (CCCPS)	-	-	16,202.00	16,202.00
Derivative financial instruments (Liability)	-	-	239.64	239.64

Particulars	At FVTOCI			
	Level-1	Level-2	Level-3	Total
Financial Assets				
Investment in Muthoot Pappachan Chits Private Limited	-	22.03	-	22.03
Investment in Avenues India Private Limited	-	479.10	-	479.10
Investment in Fair Asset Technologies (P) Limited	-	721.31	-	721.31
Investment In The Thinking Machine Media Private Limited	-	18.00	-	18.00
Investment In Speckle Internet Solutions Private Limited	-	42.86	-	42.86
Investment in Equity Shares (DP account with Motilal Oswal)	2,449.60	-	-	2,449.60
Investment in PMS - Motilal Oswal	327.60	-	-	327.60
Loans	-	-	2,95,677.61	2,95,677.61

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy as at 31st March 2023:

Particulars	At FVTPL			
	Level-1	Level-2	Level-3	Total
Financial Assets				
Investment in JM Financial India Fund II	236.50	-	-	236.50
Inv-Strugence Debt Fund	-	997.61		997.61
Inv-BPEA India Credit - Trust II	168.86			168.86
Investments in Mutual Fund	650.10	-	-	650.10
Investments in Security Receipts	-	-	2,662.07	2,662.07
Financial Liabilities				
Cumulative Compulsorily Convertible Preference Shares (CCCPS)	-	-	15,732.00	15,732.00
Derivative financial instruments (Liability)	-	-	89.19	89.19

Particulars	At FVTOCI			
	Level-1	Level-2	Level-3	Total
Financial Assets				
Investment in Muthoot Pappachan Chits Private Limited	-	14.94	-	14.94
Investment in Avenues India Private Limited	-	479.10	-	479.10
Investment in Fair Asset Technologies (P) Limited	-	720.64	-	720.64
Investment In The Thinking Machine Media Private Limited	-	18.00	-	18.00
Investment In Speckle Internet Solutions Private Limited		42.86		42.86
Investment in Equity Shares (DP account with Motilal Oswal)	1,690.38	-	-	1,690.38
Investment in PMS - Motilal Oswal	231.12	-	-	231.12
Loans	-	-	2,14,366.76	2,14,366.76

The fair value of financial instruments as referred to above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

Level 1: Quoted prices (unadjusted) for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs).

Fair value technique

Investments at fair value

The equity instruments which are actively traded on public stock exchanges with readily available active prices on a regular basis are classified as Level 1. Units held in mutual funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions are generally Level 1. Equity instruments in non-listed entities are initially recognised at transaction price and re-measured as per fair valuation report and valued on a case-by-case has been classified as Level 2.

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

Investment at fair value through profit and loss

For investment at fair value through profit and loss, valuation are done using quoted prices from active markets or on published Net Asset Values of the investment at the measurement date or at the nearest available date.

Investments in Security receipts (SRs) are classified as Financial Assets measured at FVTPL. Net Asset Value is as certified by the issuer of Security Receipts. Accordingly, the fair valuation technique in this regard is classified under Level 3. The disclosure of the sensitivity of the fair value measurement to changes in unobservable inputs is not considered relevant.

Financial Liabilities with significant unobservable inputs (Level 3)

This level of hierarchy includes financial liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data, this level of hierarchy includes cumulative compulsory convertible preference shares.

The fair value of the CCCPS is measured using the Monte Carlo Simulation technique. The Monte Carlo Simulation Method is one where a risk-neutral framework is used to simulate a range of simulated values, representing all the potential paths a variable could move over the period of the simulation. The inputs to this model are taken from observable market where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Significant unobservable inputs	As at March 31, 2024		As at March 31, 2023	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Discount Rate of CCCPS Coversion Feature	(390.15)	401.26	(544.00)	564.72
Discount for Lack of Marketability	(249.27)	249.27	(242.03)	242.03

Loan assets carried at fair value through other comprehensive income

Loan receivables valuation is carried out for two portfolios segregated on the basis of repayment frequency – monthly and weekly. The valuation of each portfolio is done by discounting the aggregate future cash flows with risk-adjusted discounting rate for the remaining portfolio tenor.

Following inputs have been used to calculate the fair value of loans receivables:

(i) Future cash flows: Include principal receivable, interest receivable and tenor information based on the repayment schedule agreed with the borrowers. Inputs include:

(ii) Risk-adjusted discount rate:

This rate has been arrived using the cost of funds approach.

The following inputs have been used:
(i) Cost of funds
(ii) Credit spread of borrowers
(iii) Servicing cost of a financial asset

Loan portfolio	Fair valuation as at March 31, 2024	Fair valuation as at March 31, 2023
Monthly	2,33,664.61	1,62,454.47
Weekly	61,200.88	51,809.37
Total	**2,94,865.50**	**2,14,263.85**

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

Fair value measurement of Financial Assets sensitivity to significant unobservable inputs as at the end of each reporting period is as follows:

Particulars	Fair valuation as at March 31, 2024	Fair valuation as at March 31, 2023
Impact on fair value if change in risk adjusted discount rate		
- Impact due to increase of 0.50 %	(1,033.00)	(850.00)
- Impact due to decrease of 0.50 %	1,039.00	855.00
Impact on fair value if change in probability of default (PD)		
- Impact due to increase of 0.50 %	(501.00)	(347.00)
- Impact due to decrease of 0.50 %	503.00	348.00
Impact on fair value if change in loss given default (LGD)		
- Impact due to increase of 0.50 %	(18.00)	(14.00)
- Impact due to decrease of 0.50 %	18.00	14.00

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RANGAMANI & Co.
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(Amount in INR Lakhs, except share data and unless otherwise stated)

Fair Value Measurement (contd...)

Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

Particulars	Level	Carrying Value		Fair Value	
		As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2024	As at 31st March, 2023
Financial assets					
Cash and cash equivalents	1	2,41,911.80	3,35,294.75	2,41,911.80	3,35,294.75
Bank Balance other than above	1	77,408.22	57,793.13	77,408.22	57,793.13
Trade receivables	3	3,628.54	3,128.49	3,628.54	3,128.49
Loans	3	29,90,320.21	23,58,537.14	29,90,320.21	23,58,537.14
Investments - at amortised cost	3	5,654.33	7,319.28	5,654.33	7,319.28
Other Financial assets	3	42,734.58	22,619.16	42,734.58	22,619.16
Financial assets		**33,61,657.68**	**27,84,691.95**	**33,61,657.68**	**27,84,691.95**
Financial Liabilities					
Payable	3	6,484.32	6,164.34	6,484.32	6,164.34
Debt securities	3	3,83,276.28	4,41,658.04	3,83,276.28	4,41,658.04
Borrowings (other than debt securities)	3	24,64,326.19	18,94,542.99	24,64,326.19	18,94,542.99
Lease Liabilities		1,12,786.57	1,02,702.92	1,12,786.57	1,02,702.92
Subordinated liabilities	3	2,14,117.72	2,27,858.69	2,14,117.72	2,27,858.69
Other financial liabilities	3	76,427.70	85,471.58	76,427.70	85,471.58
Financial Liabilities		**32,57,418.78**	**27,58,398.55**	**32,57,418.78**	**27,58,398.55**

Valuation techniques

Short-term financial assets and liabilities

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

Loans and advances to customers

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

Fair values of portfolios are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics ie, type of loan. The Company then calculates and extrapolates the fair value to the entire portfolio using Effective interest rate model that incorporate interest rate estimates considering all significant characteristics of the loans. The credit risk is applied as a top-side adjustment based on the collective impairment model incorporating probability of defaults and loss given defaults. Hence, the carrying amount of such financial assets at amortised cost net of impairment loss allowance is of reasonable approximation of their fair value.

Financial liability at amortised cost

The fair values of financial liability held-to-maturity are estimated using a effective interest rate model based on contractual cash flows using actual yields. Since the cost of borrowing on the reporting date is not expected to be significantly different from the actual yield considered under effective interest rate model, the carrying value of financial liabilities at amortised cost is considered a reasonable approximation of their fair value.

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(Amount in INR Lakhs, except share data and unless otherwise stated)

42 Segment Reporting

The Board of Directors and the Managing Director of the Company together constitute the Chief Operating Decision Maker ("CODM"). Operating segment are components of the Group whose operating results are regularly reviewed by the CODM to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is

The Group is engaged primarily on the business of "Financing" only, taking into account the risks and returns, the organization structure and the internal reporting systems. All the operations of the Group are in India. All non-current assets of the Group are located in India. Accordingly, there are no separate reportable segments as per Ind AS 108 – "Operating Segments".

43 Change in liabilities arising from financing activities

Particulars	As at 31st March, 2023	Cash Flows	Changes in fair value (gain)/loss	Ind AS 116 - Lease Liabilities	Others	As at 31st March, 2024
Debt Securities	4,41,658.04	(58,913.96)	-	-	532.20	3,83,276.28
Borrowings other than debt securities	18,94,542.99	5,72,160.01	-	-	(2,376.81)	24,64,326.19
Lease Liabilities	1,02,702.92	(23,360.13)	-	33,443.78	-	1,12,786.57
Subordinated Liabilities	2,27,858.69	(12,901.09)	-	-	(839.88)	2,14,117.72
Total liabilities from financing activities	**26,66,762.64**	**4,76,984.83**	**-**	**33,443.78**	**(2,684.49)**	**31,74,506.76**

Particulars	As at 31st March, 2022	Cash Flows	Changes in fair value (gain)/loss	Ind AS 116 - Lease Liabilities	Others	As at 31st March, 2023
Debt Securities	4,47,341.02	(6,198.72)	-	-	515.74	4,41,658.04
Borrowings other than debt securities	16,01,091.91	2,95,485.68	-	-	(2,034.60)	18,94,542.99
Lease Liabilities	74,233.11	(21,067.96)	-	49,537.77	-	1,02,702.92
Subordinated Liabilities	2,41,026.38	(12,095.29)	-	-	(1,072.40)	2,27,858.69
Total liabilities from financing activities	**23,63,692.42**	**2,56,123.70**	**-**	**49,537.77**	**(2,591.25)**	**26,66,762.64**

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RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

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44 Risk Management

The Group's principal financial liabilities comprise of borrowings and trade and other payables. The main purpose of these financial liabilities is to finance and support the Group's operations. The Group's principal financial assets include loans, investments, cash and cash equivalents, trade receivables and other receivables that derive directly from its operations.
Predominantly comprising of lending institutions, the Group is exposed to various risks that are related to lending business and operating environment. The principal objective in Group's risk management processes is to measure and monitor the various risks that Group is subject to and to follow policies and procedures to address such risks.

The Risk Management Committee of the Board of Directors constituted in accordance with the RBI directives has overall responsibility for overseeing the implementation of the risk management policy. The committee meets quarterly to review the Risk Management practices and working of the Enterprise Risk Management Department. The Committee consits of members of the Board including the Managing Director and is chaired by an Independent Director. The Enterprise Risk Management department periodically places its report to the committee for review. The committee's suggestions for improving the Risk Management Practices are implemented by the Enterprise Risk Management department.

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.
The major type of risk Group faces in business are credit risk, liquidity risk, market risk and operational risk.

I) 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 major income generating activities include gold loan, sme loans, housing loan, microfinance loan, personal loans and others.
The Group addressess credit risk through following major processess:

- Standardize the process of identifying new risks and designing appropriate controls for these risks
- Minimize losses due to defaults or untimely payments by borrowers
- Maintain an appropriate credit administration and loan review system
- Establish metrics for portfolio monitoring
- Design appropriate credit risk mitigation techniques
- Structured and standardised credit approval process
- Verification of credit history from credit bureau agencies, personal verification of customers business and residence
- Technical and Legal Verification
- Comprehensive credit risk assessment and cash flow analysis

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.

A) Impairment Assessment

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

Definition of default and care

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 or whether Stage 2 is appropriate.
The Group considers a financial instrument as 'cured' and therefore re-classified out of Stage 3 during the year only once the entire dues have been received.

Rating	Loans Days past due (DPD)	Stages
High grade	Not yet due	Stage I
Standard grade	1-30 DPD	Stage I
Sub-standard grade	31-60 DPD	Stage II
Past due but not impaired	61-89 DPD	Stage II
Individually impaired	90 DPD or More	Stage III

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Exposure at Default (EAD)

The outstanding balance as at the reporting date is considered as EAD by the Group.

Probability of default (PD)

The Probability of Default is an estimate of the likelihood of default over a given time horizon. To calculate the ECL for a Stage 1 loan, the Group assesses the possible default events within 12 months for the calculation of the 12 month ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments. The 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. Where a particular portfolio is relatively new, the published average default probability for similar loans from a leading credit bureau report on lending in India has been considered. PD is calculated using Incremental 90 day DPD approach considering fresh slippage using historical information.

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 31st March 2024 and 31st March 2023.

Loss Given Default (LGD)

The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Group expects to receive. 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.

When estimating ECLs on a collective basis for a group of similar assets, the Group applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Significant Increase in credit risk

The internal rating model evaluates the loans on an ongoing basis. The rating model also assesses if there has been a significant increase in credit risk since the previously assigned risk grade. One key factor that indicates significant increase in credit risk is when contractual payments are more than 30 days past due.

II) Liquidity risk

Asset Liability Management (ALM)

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. The The Group's treasury teams source funds from multiple sources, including from banks, financial institutions, capital & retail markets to maintain a healthy mix of sources. They are 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 shows the maturity pattern of the assets and liabilities:

Maturity pattern of assets and liabilities as on 31st March 2024:

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
Cash and cash equivalents	2,00,124.31	2,489.25	35,266.24	-	4,032.00	-	-	-	2,41,911.80
Bank Balance other than (a) above	8,731.17	2,784.82	3,907.19	9,760.62	28,008.40	24,215.92	-	0.11	77,408.22
Receivables	2,446.58	81.49	39.19	172.05	235.15	654.06	-	-	3,628.54
Loans	3,27,527.80	1,17,259.88	1,04,084.07	3,46,125.93	16,84,293.66	3,96,727.04	62,396.77	2,47,582.69	32,85,997.82
Investments	7,098.83	59.90	59.90	128.48	1,356.99	1,066.89	5,284.87	2,271.21	17,327.08
Other Financial assets	24,201.94	1,981.38	216.29	831.58	1,546.98	4,931.73	2,868.71	6,155.97	42,734.58
Total	**5,70,130.63**	**1,24,656.72**	**1,43,572.87**	**3,57,018.66**	**17,19,473.18**	**4,27,595.64**	**70,550.35**	**2,56,009.98**	**36,69,008.04**
Derivative Financial Liability	14.78	216.39	8.47	-	-	-	-	-	239.64
Payables	4,304.81	1,399.06	189.40	200.00	391.05	-	-	-	6,484.32
Debt Securities	6,963.22	26,683.28	9,947.46	9,225.80	49,692.31	1,94,132.40	65,933.42	20,698.38	3,83,276.28
Borrowings (other than Debt Securities)	2,12,768.11	82,955.33	1,23,082.17	2,66,783.27	9,46,148.05	6,29,713.46	1,58,509.01	44,366.78	24,64,326.19
Subordinated Liabilities	2,691.42	1,295.65	1,164.03	8,351.40	12,489.34	40,642.73	65,359.12	82,124.02	2,14,117.72
Other Financial liabilities	28,607.97	4,435.29	1,824.90	3,555.75	25,014.58	20,629.68	6,842.95	1,718.57	92,629.70
Total	**2,55,350.32**	**1,16,985.01**	**1,36,216.44**	**2,88,116.22**	**10,33,735.33**	**8,85,118.28**	**2,96,644.51**	**1,48,907.75**	**31,61,073.86**

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Maturity pattern of assets and liabilities as on 31st March 2023:

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
Cash and cash equivalents	3,10,730.82	19,517.03	1,427.90	-	3,619.00	-	-	-	3,35,294.75
Bank Balance other than (a) above	8,728.04	141.04	32.02	7,112.17	18,653.49	23,126.37	-	-	57,793.13
Receivables	922.67	35.83	35.83	107.49	214.98	1,811.69	-	-	3,128.49
Loans	2,83,181.21	1,41,156.73	1,72,799.54	7,15,748.12	8,00,204.28	2,92,580.16	26,243.08	1,40,990.77	25,72,903.90
Investments	2,631.50	59.90	59.90	179.69	1,356.99	1,233.69	7,209.85	2,499.95	15,231.46
Other Financial assets	11,226.96	4,683.34	74.51	322.55	1,304.83	1,885.95	761.93	2,359.09	22,619.16
Total	**6,17,421.21**	**1,65,593.87**	**1,74,429.70**	**7,23,470.02**	**8,25,353.57**	**3,20,637.86**	**34,214.87**	**1,45,849.81**	**30,06,970.90**
Derivative Financial Liability	0.45	0.40	2.53	85.81	-	-	-	-	89.19
Payables	5,672.32	77.59	77.59	232.77	104.08	-	-	-	6,164.34
Debt Securities	22,409.62	9,996.89	8,445.98	56,780.82	1,10,438.19	1,60,667.90	59,210.70	13,707.93	4,41,658.04
Borrowings (other than Debt Securities)	2,54,271.33	71,234.57	1,48,938.92	2,00,659.65	6,41,934.99	4,82,175.96	68,102.58	27,225.00	18,94,542.99
Subordinated Liabilities	5,889.30	4,040.52	3,174.20	9,075.22	25,596.41	41,934.45	45,729.27	92,419.32	2,27,858.69
Other Financial liabilities	31,960.25	2,019.01	1,562.78	6,942.31	16,733.72	30,929.10	8,330.13	2,726.28	1,01,203.58
Total	**3,20,202.81**	**87,368.58**	**1,62,199.47**	**2,73,690.77**	**7,94,807.39**	**7,15,707.41**	**1,81,372.68**	**1,36,078.52**	**26,71,427.64**

III) 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 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. The Group is 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 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, debt securities and subordinate laibilities are as follows:

Particulars	31st March 2024	31st March 2023
On Borrowings		
1% increase	(21,794.35)	(17,478.17)
1% decrease	21,794.35	17,478.17

Particulars	31st March 2024	31st March 2023
On Debt Securities		
1% increase	(4,124.67)	(4,445.00)
1% decrease	4,124.67	4,445.00

Particulars	31st March 2024	31st March 2023
On Subordinate Liabilities		
1% increase	(2,209.88)	(2,344.43)
1% decrease	2,209.88	2,344.43

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Price risk

Equity price risk is the risk that the fair value of equities decreases as the result of changes in level of equity indices and individual stocks. The trading and non-trading equity price risk exposure arises from equity securities classified at FVTPL and FVOCI respectively".

A 10% increase/(decrease) in the equity price (traded and non-traded) would have the impact as follows:

Particulars	Increase/ (Decrease) in percentage	Sensitivity of profit or loss	Sensitivity of Other Comprehensive Income
As at March 31, 2024	10/(10)	420.39 / (420.39)	405.78 / (405.78)
As at March 31, 2023	10/(10)	65.01 / (65.01)	319.74 / (319.74)

Foreign currency risk

Foreign currency risk is the risk that the value of the financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk for the Group arises majorly on account of foreign currency borrowings. The Group has hedged its foreign currency risk on its foreign currency borrowings as at March 31, 2024 by entering into forward contracts. The counterparties for such hedge transactions are banks. The Group's exposure on account of Foreign Currency Borrowings at the end of the reporting period is as follows:

Particulars	March 31, 2024		March 31, 2023	
	Amount in USD	Amount in INR	Amount in USD	Amount in INR
Foreign currency borrowings	855.82	70,628.85	304.83	25,069.28

Since the foreign currency exposure is completely hedged by equivalent derivative instrument, there will not be any significant impact on sensitivity analysis due to the possible change in the exchange rates where all the variables are held constant. On the date of maturity of the derivative instrument, the sensitivity of profit and loss to changes in the exchange rates will be nil.

Prepayment risk

Prepayment risk is the risk that the Group will incur a financial loss because its customers and counterparties repay or request repayment earlier or later than expected.

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.

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MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

(Amount in INR Lakhs, except share data and unless otherwise stated)

45 Employee Stock Option Plan and Stock Appreciation Plan

45.1. MUTHOOT FINCORP LIMITED

The Company has instituted MFL Employee Stock Option Schemes and MFL Employee Stock Appreciation Right Schemes with an objective to reward employees for their association with the Company, their performance, as well as to attract, retain and motivate employees to contribute to the growth and profitability of the Company.

45.1.1. Employee Stock Option Plan

(i) The particulars on the Stock Option Plan are as follows:

Scheme name	MFL Employee Stock Option Scheme 2018
Date of Shareholders Meeting, where approval to introduce and implement ESOP was granted	July 13, 2018
Date of Board Meeting where grant of options were approved	August 12, 2022
Date of grant	August 30, 2022
No. of employees to whom such options were granted	744
Number of options granted	23,57,550
Method of settlement	Equity
Vesting conditions	The actual vesting of options will depend on continuation to hold the services being provided to the Company at the time of exercise of options, performance based parameters and such other conditions as mentioned in the ESOP Scheme.
Vesting period	**For ESOP Scheme II & IV, 2018** Option will be vested at the: End of year 1 from grant date : 20% End of year 2 from grant date : 30% End of year 3 from grant date : 50% **For ESOP Scheme V, 2018** Option will be vested at the: End of year 1 from grant date : 33.33% End of year 2 from grant date : 33.33% End of year 3 from grant date : 33.33% **For ESOP Scheme III, 2018** Option will be vested at the: End of year 3 from grant date : 100% **For ESOP Scheme VI, 2018** Option will be vested at the: End of year 1 from grant date : 50% End of year 2 from grant date : 50%
Exercise Price (Amount in INR as per MFL ESOP Scheme 2018)	100.00
Exercise period	The options can be exercised over a period of 10 years from the date of grant
Pricing Formula	As per valuation from a registered valuer

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(ii) Movement during the year in Options:

Particulars	Current year MFL ESOP 2018	Previous year MFL ESOP 2018
No. of Options :		
Outstanding at the beginning of the year	7,87,919	-
Granted during the year	14,92,984	8,64,566
Vested during the year	1,90,156	-
Exercised during the year (pending allotment)	7,902	-
Lapsed during the year	-	-
Forfeited during the year*	84,099	76,647
Outstanding at the end of year	21,88,902	7,87,919
Unvested at the end of year	20,06,648	7,87,919
Exercisable at the end of year	1,82,254	-
Money realized by exercise of options (INR)	7.90	-

** Due to employee separations post grant of option during the year*

(iii) The fair value of the options was estimated on the date of grant using the Black-Scholes model with the following significant assumptions:

Particulars	Current year MFL ESOP 2018	Previous year MFL ESOP 2018
Weighted average option fair value (Amount in INR)	214.20	141.00
Market price (Amount in INR)	309.63	197.66
Exercise price (Amount in INR)	100.00	100.00
Expected volatility of share price (%) *	40.50% - 43.20%	42.06% - 43.20%
Option Life (years)	5.51 to 6.51 years	5.51 to 6.51 years
Expected dividends yield (%)	-	-
Risk free interest rate (%)	7.07% to 7.31%	7.07% to 7.12%

**The expected price volatility is determined using annualized standard deviation (a measure of volatility used in Black-Scholes-Merton option pricing) and the historic volatility based on remaining life of the options*

45.1.2. Employee Stock Appreciation Plan

(i) The particulars on the Stock Appreciation Plan are as follows:

Scheme name	MFL Employee SAR Scheme 2018
Date of Shareholders Meeting, where approval to introduce and implement SAR was granted	July 13, 2018
Date of Board Meeting where grant of SAR were approved	August 12, 2022
Date of grant	August 30, 2022
No. of employees to whom such SAR were granted	2,373
Number of SAR granted	12,85,330
Method of settlement	Cash
Vesting conditions	The actual vesting of SAR will depend on continuation to hold the services being provided to the Company at the time of exercise, performance based parameters and such other conditions as mentioned in the SAR Scheme.
Vesting period	**For SAR Scheme Scheme II & III, 2018** SAR will be vested at the: End of year 1 from grant date : 20% End of year 2 from grant date : 30% End of year 3 from grant date : 50%
Exercise Price (Amount in INR as per MFL SAR Scheme 2018)	225.00
Pricing Formula	As per valuation from a registered valuer

(ii) Movement during the year in SAR Options:

Particulars	Current year MFL SAR 2018	Previous year MFL SAR 2018
No. of SAR:		
Outstanding at the beginning of the year	11,63,592.00	-
Granted during the year	42,537	12,42,793
Vested during the year	1,96,703.00	-
Exercised during the year	1,95,721.00	-
Lapsed during the year	-	-
Forfeited during the year*	36,992	79,201
Outstanding at the end of year	9,73,416	11,63,592
Unvested at the end of year	9,73,416	11,63,592
Exercisable at the end of year	-	-

** Due to employee separations post grant of option during the year*

(iii) The fair value of the options was estimated on the date of grant using the Black-Scholes model with the following significant assumptions:

Particulars	Current year MFL SAR 2018	Previous year MFL SAR 2018
Weighted average option fair value (Amount in INR)	63.18	74.18
Market price (Amount in INR)	309.63	257.05
Exercise price (Amount in INR)	225.00	225.00
Expected volatility of share price (%)*	26.97% - 34.42%	26.97% - 34.30%
Option Life (years)	0.46 to 2.59 years	0.46 to 2.46 years
Expected dividends yield (%)	-	-
Risk free interest rate (%)	6.50% to 7.22%	6.79% to 7.10%

**The expected price volatility is determined using annualized standard deviation (a measure of volatility used in Black-Scholes-Merton option pricing) and the historic volatility based on remaining life of the options*

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45.2. MUTHOOT HOUSING FINANCE COMPANY LIMITED

Muthoot Housing Finance Company Limited (MHFL) has formulated and implemented MHFL Employee Stock Option Plan 2019 ('ESOP 2019') at its EGM held on 7th June 2019 which provides grants up to 13,28,766 (Thirteen Lakh Twenty Eight Thousand Seven Hundred and Sixty Six) employee stock options to the eligible employees of MHFL, determined in terms of ESOP 2019, from time to time, in one or more tranches. In accordance with the ESOP 2019, each option on exercise would be eligible for one Equity Share on payment of the exercise price. As on 31 March, 2024, no options granted under ESOP Scheme 2019 have been exercised.

GRANT 1
MHFL had granted 11,54,380 options on 19 November 2019 at an exercise price of Rs. 43 per option representing 11,54,380 equity shares of Rs. 10 each to its employees to be settled in equity. The options would vest over a period of 1-4 years from the date of grant, but not later than 19 November 2023, depending upon options grantee completing continuous service with MHFL. Accordingly, 2,07,345 options (31 March 2023 : 2,57,814 options) were vested during the year. In the current year, 35,500 options (Previous Year: 63,000 options) lapsed/surrendered. The options can be exercised over a period of 10 years from the date of grant.

GRANT 2
Under Grant 2 under ESOP Scheme 2019, MHFL had granted 3,70,000 options on 01 September 2023 at an exercise price of Rs. 59 per option representing 3,70,000 equity shares of Rs. 10 each to its employees to be settled in equity. The options would vest over a period of 1-4 years from the date of grant, but not later than 01 September 2027, depending upon options grantee completing continuous service. During the current year, no options were vested.

GRANT 3
Under Grant 3 under ESOP Scheme 2019, MHFL had granted 45,000 options on 06 February 2024 at an exercise price of Rs. 59 per option representing 45,000 equity shares of Rs. 10 each to its employees to be settled in equity. The options would vest over a period of 1-4 years from the date of grant, but not later than 06 February 2028, depending upon options grantee completing continuous service with MHFL. During the current year, no options were vested.

45.2.1 Movement during the year in Options:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
No. of Shares :		
Outstanding at the beginning of the year	9,47,880	10,10,880
Granted during the year	4,15,000	-
Vested during the year	2,07,345	2,57,814
Exercised during the year	-	-
Lapsed during the year	35,500	63,000
Outstanding at the end of year	13,27,380	9,47,880
Unvested at the end of year	4,15,000	2,12,345
Exercisable at the end of year	9,12,380	7,35,535

45.2.2 The fair value of options have been estimated on the date of grant using Black-Scholes model as under :

Particulars	GRANT 1	GRANT 2	GRANT 3
Weighted average share price (in Rs.)	43.00	58.16	58.16
Exercise price (in Rs.)	43.00	59.00	59.00
Weighted average fair value of the option	20.47	31.19	31.18
Expected volatility of share price	34.74% to 35.15%	42.43% to 44.01%	42.07% to 44.24%
Expected option life (in years)	5.51 to 7.01 years	5.51 to 7.01 years	5.51 to 7.01 years
Expected growth in dividend (p.a.)	-	-	-
Risk free interest rate (p.a.)	6.28% to 6.52%	7.06% to 7.07%	7.01% to 7.02%

Volatility has been calculated based on the daily closing market price of comparable companies.

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45.3. MUTHOOT MICROFIN LIMITED

Muthoot Microfin Limited (MML) has implemented Employee Stock Option Plan under Muthoot Microfin Employee Stock Option Plan 2016 ("ESOP 2016") and Muthoot Microfin Limited Employee Stock Option Plan 2022 ("ESOP 2022"). The objective is to reward employees for their association with MML, their performance as well as to attract, retain and motivate employees to contribute to the growth and profitability of the Company.

45.3.1 Details of Muthoot Microfin Employee Stock Option Plan 2016:

Particulars	Grant -1	Grant -2	Grant -3	Grant -4
Date of grant	December 5, 2016	February 22, 2018	November 9, 2021	August 10, 2023
Date of Board Meeting, where ESOP was approved	December 5, 2016			
Date of Committee Meeting where grant of options were approved	December 5, 2016	February 22, 2018	November 8, 2021	August 10, 2023
No. of options granted (Including 99,250 options lapsed/cancelled due to resignation of employees)	6,65,000	2,99,000	4,79,864	71,000
No. of employee to whom such options were granted	4	62	37	13
Exercise Price*	14.00	67.00	77.20	197.00
No. of employees who have exercised the option during the year	3	4	3	-
No. of options exercised	1,58,750	25,000	60,000	-
Method of settlement	Equity			
Vesting conditions	The actual vesting of options will depend on continuation to hold the services being provided to the Company at the time of exercise of options and such other conditions as mentioned in the ESOP Scheme.			
Vesting period	Option will be vested at the End of year 1: 25% from the grant of option End of year 2 : 25% from the grant of option End of year 3 : 25% from the grant of option End of year 4 : 25% from the grant of option			
Exercise period	Vested Options can be exercised by the employees by giving in writing on or prior to a Liquidity event (Liquidity event means Listing of shares on any recognized stock exchange in India; or Any other event, which the Committee may designate as a Liquidity Event)			
Pricing Formula	The market price was in accordance with the valuation of a registered valuer			

Details of Muthoot Microfin Limited Employee Stock Option Plan 2022:

Particulars	Grant -1	Grant -2
Date of grant	November 04, 2022	August 10, 2023
Date of Board Meeting, where ESOP was approved	November 04, 2022	
Date of Committee Meeting where grant of options were approved	November 04, 2022	August 10, 2023
No. of options granted (Including 36,000 options lapsed/cancelled due to resignation)	24,65,500	2,37,147
No. of employee to whom such options were granted	106	103
Exercise Price*	151.00	197.00

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Particulars	Grant -1	Grant -2
No. of employees who have exercised the option during the year	-	-
No. of options exercised	-	-
Method of settlement	Equity	
Vesting conditions	The actual vesting of options will depend on continuation to hold the services being provided to the Company at the time of exercise of options and such other conditions as mentioned in the ESOP Scheme.	
Vesting period	Option will be vested at the End of year 1: 25% from the grant of option End of year 2 : 25% from the grant of option End of year 3 : 25% from the grant of option End of year 4 : 25% from the grant of option	
Exercise period	Vested Options can be exercised by the employees by giving in writing on or prior to a Liquidity event (Liquidity event means Listing of shares on any recognized stock exchange in India; or Any other event, which the Committee may designate as a Liquidity Event)	
Pricing Formula	The market price was in accordance with the valuation of a registered valuer.	

*Based on the valuation of a registered valuer. As per ESOP 2016, exercise price shall be equal to the fair market value as on the date of grant of options.

45.3.2 Movement during the year in Options:

Particulars	March 31, 2024	March 31, 2023
Outstanding options at the beginning of the year	32,26,739	7,85,864
Granted during the year	3,08,147	24,65,500
Forfeited/Lapsed during the year	76,375	24,625
Exercised during the year	2,43,750	-
Outstanding options at the end of the year	32,14,761	32,26,739
Shares Not Granted Under ESOP Plan at the end of the year	10,000	2,41,772
Number of equity shares of INR 10 each fully paid up to be issued on exercise of option	32,24,761	34,68,511
Exercisable at the end of the year	8,70,807	4,01,341

45.3.3 The fair value of the options was estimated on the date of grant using the Black-Scholes model with the following significant assumptions:

Particulars	Grant 1 ESOP 2016	Grant 2 ESOP 2016	Grant 3 ESOP 2016	Grant 4 ESOP 2016	Grant 1 ESOP 2022	Grant 2 ESOP 2022
Vesting period	4 years	4 years	4 years	4 years	4 years	4 years
Exercise price	14.00	67.00	77.20	197.00	151.00	197.00
Expected volatility (%)*	56.49%	49.98%	50.53%	51.09%	52.28%	51.09%
Expected option life (in years)	6.25	6.25	5	5.01	5	5.01
Expiry date	June 4, 2021	February 22, 2022	November 8, 2025	August 09, 2027	November 3, 2026	August 09, 2027
Share price at grant date	18.5	66.69	77.2	196.7	150.96	196.7
Expected dividends yield	-	-	-	-	-	-
Risk free interest rate	6.29%	7.58%	5.67%	7.03%	7.34%	7.03%

*The expected volatility was determined based on the annualized standard deviation of the continuously compounded rates of return on the comparable stocks over a period of time.

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(Amount in INR Lakhs, except share data and unless otherwise stated)

46 Disclosures under the Listing Agreement for Debt Securities

(i) Debenture Trustees:

Trustees for Public Issue
SBICAP Trustee Company Limited
Mistry Bhavan, 4th Floor, 122
Dinshaw Vachha Road,
Churchgate, Mumbai - 400020
Tel : 022-4302 5555
Fax : 022-22040465
Email : corporate@sbicaptrustee.com

Trustees for Public Issue
Catalyst Trusteeship Limited
901, 9th Floor, Tower-B, Peninsula
Business Park, Senapati Bapat Marg,
Lower Parel (W), Mumbai-400013
Office +91 (022) 49220555
Fax +91 (022) 49220505
Email: dt.mumbai@ctltrustee.com

Trustees for Listed Private Placement & Public Issue
Vardhman Trusteeship Private Limited
The Capital, 412 A. 4th Floor,
A-Wing, Bandra Kurla Complex
Bandra (East), Mumbai 400 051, Maharashtra
Tel: +91 22 4264 8335
E-mail: corporate@vardhmantrustee.com

Trustees for Perpetual Debt Instrument
Vistra ITCL (India) Limited (formerly IL&FS Trust Company Limited)
The Qube, 6th floor, A wing, Hasan Pada Road,
Mittal Industrial Estate, Marol, Andheri€
Mumbai – 400059
Tel: +91 22 69300000
Fax: +91 22 28500029
Email: mumbai@vistra.com

(ii)Security:

1. Privately Placed Secured Debentures outstanding as at the year ended March 31, 2024 are secured by first pari-passu charge on the present and future standard loan receivables and current assets along with other lenders and NCD investors or by exclusive charge on book debts with an asset coverage ratio of 1 to 1.25 times of the value of the outstanding amounts of the Debentures (as more specifically disclosed in Note 18).
2. Debentures issued by way of public issue outstanding as at the year ended March 31, 2024 are secured by subservient charge with existing secured creditors, on loan receivables (both present and future) of the Company, to be held on pari passu basis among the present and / or future NCD holder and exclusive mortgage and first charge over certain immovable property of the Company (as more specifically disclosed in Note 18).
3. The details of security for Covered Bonds issued in the nature of secured, redeemable, listed non-convertible debentures on a private placement basis and listed debentures placed under Targeted Long Term Repo Operations (TLTRO) that were redemeed during the current year but were outstanding as at the end of the previous year are specifically disclosed in Note 18.

(iii) Utilisation of Funds raised by way of Public Issue of Debt Securities:

The Group has utilised the Net Proceeds raised by way of allotment of Public Issue of Debt Securities and other Listed Debt Securities, in accordance with the Objects of such issue of debt securities. As at March 31, 2024, no portion of such allotted proceeds remain unutilized.

(iv)Others:

Particulars	At 31st March, 2024	At 31st March, 2023
Loans & advances in the nature of loans to subsidiaries	Nil	Nil
Loans & advances in the nature of loans to associates	Nil	Nil
Loans & advances in the nature of loans where there is-		
(i) no repayment schedule or repayment beyond seven years	Nil	Nil
(ii) no interest or interest below section 186 of the Companies Act	Nil	Nil
Loans & advances in the nature of loans to other firms/companies in which directors are interested	-	-

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47 There are no unclaimed amounts due and outstanding to be credited to the Investor Education and Protection Fund established under Section 125 of the Companies Act, 2013.

48 Business combinations and acquisition of non-controlling interests

The Parent Company has subscribed to 42,37,290 equity shares of its subsidiary Muthoot Housing Finance Company Limited during the year at a face value Rs 10/- each and at a premium of Rs 49/- each on preferential issue basis (Previous Year: Nil). The Parent Company has also acquired 10,51,481 equity shares of Muthoot Microfin Limtied from its shareholders at a face value of Rs 10/- each and at a premium of Rs 280/- each (Previous Year: 1,19,18,814 equity shares at a face value of Rs.10/- each and a premium of Rs.184.86 each).

49 Additional disclosures as per Schedule III of Companies Act, 2013

(i) The Group does not have any immovable property whose title deeds are not held in the name of the respective Company.

(ii) The fair value of investment property measured for disclosure purposes in the financial statements is based on the valuation by an independent registered valuer.

(iii) The Group has not revalued its Property, Plant and Equipment or Right of Use Assets during the current or previous year.

(iv) The Group has not revalued Intangible Assets during the current or previous year.

(v) The Group has not given any loans or advances in the nature of loans that are a) repayable on demand or b) without specifying any terms or period of repayment; to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person during the current or previous year.

(vi) The Group does not have any Capital Work in Progress as at the end of the current or previous year.

(vii) The ageing schedule of Intangible Assets under development is as below:

Amount under development for a period of	As at March 31, 2024	As at March 31, 2023
Less than 1 year	487.19	880.25
1 to 2 years	204.25	-
2 to 3 years	-	-
More than 3 years	-	-
Total	**691.44**	**880.25**

(viii) The Group does not hold any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder and no proceedings have been initiated or is pending against the group for the same.

(ix) The quarterly returns or statements of current assets filed by the Group with banks or financial institutions are in agreement with the books of accounts.

(x) The Group has not made any default in repayment of its financial obligations and is not declared wilful defaulter by any bank or financial Institution or other

(xi) The Group does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(xii) There are no charges or satisfaction to be registered with ROC beyond the statutory period.

(xiii) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(xiv) The Group has not entered into any Scheme of Arrangements which requires the approval of the Competent Authority in terms of sections 230 to 237 of the Companies Act,2013 for the financial years ended March 31, 2024 and March 31, 2023.

(xv) The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(xvi) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(xvii) The Group does not have any transaction which is not recorded in the books of account but has been surrendered or disclosed as income during the year in tax assessments under the Income tax Act, 1961.

(xviii) The Group has not traded or invested in Crypto currency or Virtual Currency during the current or previous financial year.

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(Amount in INR Lakhs, except share data and unless otherwise stated)

50 The Group has accounting software to manage its books of account, incorporating an audit trail (edit log) feature. This feature is consistently utilized throughout the year for all transactions recorded in the software, and backup is taken periodically of these transactions. Additionally, measures are in place to establish necessary controls aimed at preventing or identifying any tampering with the audit trail feature.

51 The previous year figures have been reclassified and regrouped wherever required.

52 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the entity in the Group	Net assets, i.e. total assets minus total liabilities as at 31st March 2024		Share in profit or loss for the year ended 31st March 2024		Share in other comprehensive income for the year ended 31st March 2024	
	As a % of consolidated net assets	Amount	As a % of consolidated profit/loss	Amount	As a % of consolidated other comprehensive income	Amount
Parent						
Muthoot FinCorp Limited	73.51%	4,26,121.49	53.70%	56,280.89	94.41%	1,418.61
Subsidiaries						
Indian						
1. Muthoot Microfin Limited	24.18%	1,40,166.34	27.99%	29,336.50	59.39%	892.44
2. Muthoot Housing Finance Company Limited	4.54%	26,305.46	2.70%	2,824.91	(1.19%)	(17.81)
3. Muthoot Pappachan Technologies Limited	0.01%	65.47	0.05%	51.56	(0.20%)	(2.98)
Non-controlling interests in all subsidiaries						
Indian subsidiaries	25.24%	1,46,278.92	15.56%	16,303.88	31.22%	469.16
Other Adjustment / Consol adjustment	(27.48%)	(1,59,291.96)	-	-	(83.64%)	(1,256.78)
Total		**5,79,645.73**		**1,04,797.75**		**1,502.64**

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MUTHOOT FINCORP LIMITED

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS financial statements of **MUTHOOT FINCORP LIMITED ("the Company")**, which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of cash flows for the year the ended on that date and notes to the Ind AS Financial Statements, including a summary of material accounting policies and other explanatory information. ["Ind AS Financial Statements"]

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS 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, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities 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 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

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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 Ind AS 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.

For each matter below, our description of how our audit addressed the matter is provided in that context. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	How it's been addressed in Audit
a.) Completeness in identification and disclosure of related party transactions in accordance with the applicable reporting framework.	We have accessed the laid down systems and processes of the Company in identifying related party transactions and its ultimate disclosure in financial statements in accordance with the applicable reporting framework. We have designed the audit procedures in accordance with the guidelines prescribed in Standard on Auditing (SA 550) to identify the risks of material misstatement arising from an entity's failure to appropriately account for or disclose material related party transactions. We have also reviewed the minutes of meetings of the board in the course of the audit to identify any transactions that may require disclosure in accordance with the applicable reporting framework.
b.) Effectiveness of IT Systems and related controls.	Due to the automated controls and high degree of dependence in information systems, there is a risk that the financial accounting and reporting records may be misstated in case of any control lapses in the IT system related controls. We have designed our audit procedures in

	accordance with the guidelines laid down in the Standard on Auditing (SA 530) and tested the controls in the Information Technology Systems on a sample basis which has an impact on the financial accounting and reporting records. We have also tested on a sample basis the controls related to access management including user rights in passing entries, approval for authorizing entries, authorization for reversing entries, segregation of duties, system password protection, external software/hardware access rights etc. Based on our sample review, no material weakness was identified in the IT related systems and controls.
c.) Accuracy, completeness and correctness of accounting and related controls maintained at the entity's branches.	At the branch level, entries related to daily operations are passed. We have addressed this as a key audit matter since any control lapses in the branch level accounting may result in the financial accounting and reporting records of the entity being misstated. We have conducted physical visits to key branches and centre processing hub of the company which are considered top based on the significant gold loan and unsecured loan portfolio to identify and evaluate the effectiveness of controls in place. We have also tested on a sample basis the independent financial records maintained at the branch level and how the same is considered and incorporated in the financial statements. We have also assessed and analyzed the internal audit reports and how the major observations are dealt with and its impact on the entity's financial accounting and reporting records. Based on our sample review, no major weaknesses were identified.

d.) Computation of provision towards impairment of loan assets. As at 31st March 2024, the Company had reported a total impairment loss allowance of Rs. 29,729.05 lakhs (31st March 2023 - Rs 36,454.29 lakhs) A significant degree of judgment is required to determine the timing and amount of Impairment loss allowance to be recognized with respect to loan assets. Based on our risk assessment, the following are the significant judgments and estimates, that impact impairment loss allowance: - Completeness and timing of recognition of default, in accordance with the prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Loan Assets; - Measurement of provision is dependent on the probability of default (PD) and loss given default (LGD) of each category of loan asset. Identification of PD and LGD involves significant judgments and estimates related to forward looking information.	The audit procedures performed, among others, included: -Considering the board policies and processes for NPA identification and assessing compliance with the RBI norms. -Understanding, evaluating and testing the design and effectiveness of key controls around identification of impaired accounts. -Performing other procedures including substantive audit procedures covering the identification of NPAs such as: • Reading account statements and related information of the borrowers on a sample basis. • Performing inquiries with credit and risk departments to ascertain if there were indicators of stress or an occurrence of an event of default in a particular loan account or any product category which needed to be considered as NPA. • Holding discussions with the management on sectors where there is perceived credit risk and the steps taken to mitigate the risks to identified sectors.

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 Annual Report but does not include the Standalone Financial Statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the Standalone Ind AS 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 Ind AS Financial Statements, our responsibility is to read the other information identified above when it becomes available 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 communicate the matter to those charged with governance. We have nothing to report in this regard.

Responsibilities of Management and those charged with governance for the standalone Ind AS Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 Ind AS Financial Statements, management and Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Ind AS 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 Ind AS 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 controls 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 with reference to Standalone Financial Statements 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 Ind AS Financial Statements, including the disclosures, and whether the Standalone Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Ind AS 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 Ind AS Financial Statements.

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

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

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

Report on Other Legal and Regulatory Requirements

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

2. As required by Section 143 (3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report agree with the books of account;

d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read.

e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2024 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 with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer our separate Report in "**Annexure B**".

g) With respect to the other matters to be included in the Auditor's Report in accordance with Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanation 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 does not have any long-term contracts including derivative contracts for which there was any material foreseeable loss for which any provision is required to be made under the applicable law and Accounting Standards.

   iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the company

iv. a) The Management has represented that, to the best of its knowledge and belief, as disclosed in Note 51 to the Standalone Financial Statements, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in Note 51 to the Standalone Financial Statements, no funds (which are material either individually or in aggregate) have been received by the Company from any person or entity, including foreign entity ('Funding Parties") with the understanding, whether recorded in writing or otherwise that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

vi. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of accounts for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Refer Note No.52 to the standalone financial statements.

As proviso to Rule 3(1) of the Companies (Accounts) Rules,2014 is applicable from April 1,2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the Financial Year ended March 31,2024.

For Rangamani & Co.,
Chartered Accountants,
ICAI FRN:003052 S

R. Krishnan
(Partner)
M.No.025927

UDIN: 24025927BKCRMX1709

Place: Thiruvananthapuram
Date: 20.05.2024

RANGAMANI & Co.
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For Krishnan Retna & Associates
Chartered Accountants,
ICAI FRN: 001536S

Nikhil R Kumar
(Partner)
M.No. 231162

UDIN: 24231162BKESUU2311

Place: Thiruvananthapuram
Date: 20.05.2024

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

Annexure referred to in Paragraph 1 under the heading 'Report on other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Muthoot Fincorp Limited on the Standalone Ind AS Financial Statements as of and for the year ended 31st March 2024.

1) Tangible and Intangible Assets.

(a) In our opinion the company has maintained proper records showing particulars including quantitative details and the situation of majority of Property, Plant and Equipment. We are informed that the company is in the process of updating the details in the Fixed Asset module of the software used by the company. To ensure complete recording and updating of the assets in the fixed assets module, the company is in the process of migrating to a new software.

(b) As informed to us, fixed assets have been physically verified by the management on a periodic basis during the course of internal branch audit conducted during the year. Since there is a regular programme of verification, we are of the opinion that it is reasonable having regard to the size of the company and the nature of its assets. We have been informed that there have been no material discrepancies during such verification.

(c) In our opinion and according to the information and explanations given to us, the title deeds of immovable property included in Property, Plant and Equipment and in Investment Property are held in the name of the Company.

(d) In our opinion and according to the information and explanation given to us, the company has not revalued its Property, Plant and Equipment (including Right of use of asset) or Intangible assets or both during the year.

(e) As informed to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

2) Inventory and Working Capital

(a) The Company does not have any inventory. Hence, the provisions of clause 3(ii) of the Order are not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has obtained Working Capital Limits in excess of Rs 5 Crores in aggregate

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from banks and financial Institutions and the quarterly return/statement filed by the Company with such banks or financial Institutions are in agreement with the books of accounts.

3) The company is a Non – Deposit taking Non-Banking Financial Company (NBFC) registered with the Reserve Bank of India. During the year, the company has made investments and in the ordinary course of business granted loans and advances in the nature of secured and unsecured loans to companies, firms, LLPs and other parties. With respect to such Investment and Loans and Advances :

(a) As the principal business of the company is to give loans, paragraph 3(iii)(a) of the Order is not applicable to the Company.

(b) In our opinion, the terms and conditions of the grant of such loans are, prima facie, not prejudicial to the Interests of the Company.

(c) In respect of loans granted by the company, the schedule of repayment of principal and payment of interest have been stipulated. Being a non-banking finance company engaged in the business of granting loans, there are instances of irregularities in repayment of principal amount and receipt of interest as per stipulated terms. Having regard to the nature of business undertaken by the company, specific details of irregularities are not reported although the particulars of overdue for more than ninety days as per books of accounts as at the Balance Sheet date has been reported in para (d) below

(d) In respect of loans granted by the company, the total amount overdue for more than ninety days as per Books of Accounts as at the Balance Sheet date is Rs. 35,146.50 lakhs. In our opinion, and as per information and explanations given to us, reasonable steps have been taken by the company for recovery of the said overdue amounts.

(e) The provisions of paragraph 3(iii)(e) of the Order are not applicable to the company, as its principal business is to give loans.

(f) The company has not granted any loans or advances in the nature of loans that were either repayable on demand or without specifying any terms or period of repayment.

4) In our opinion, in respect of loans, investments, guarantees, and security, the company has complied with the provision of Sec 185 and 186 of the Act.

5) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of sections 73 to 76 of the Act and rules framed thereunder to the extent notified.

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6) The Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the company and hence the provisions of this section are not applicable to the Company for the year under review.

7) In respect of statutory dues:

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been generally regularly deposited during the year by the company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the company examined by us, the particulars of statutory dues as at 31st March 2024 which have not been deposited on account of dispute are as follows;

Statute	Nature of dues	Period to which the amount relates (Financial Year)	Amount (in lakhs)	Forum where dispute is pending
Service Tax	Tax on Income from Foreign Inward Remittances	01.02.2006 to 30.09.2007	17.20	CESTAT, Bangalore.
Service Tax	Tax on receipts related to assignment of receivables	01.04.2007 to 31.03.2012	1,451.60	CESTAT, Bangalore.
Service Tax	Tax on Notional consideration against support services rendered to group concerns	01.04.2008 to 31.03.2012	2,132.10	CESTAT, Bangalore

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Service Tax	Tax on Income from Foriegn Inward Remittances	01.04.2014 to 30.06.2017	347.27	Commissioner of GST and Central Excise. (Appeals), Cochin.
Service Tax	Service Tax demand on taxability on assignment of receivables	01.04.2014 to 30.06.2017	1,158.01	CESTAT, Bangalore.
Income Tax	Demand payable u/s 143(3) - net of refund adjustments	AY 10-11	1,463.50	CIT(A) - III, Cochin
Income Tax	Demand payable u/s 143(3) - net of refund adjustments	AY 13-14	741.69	CIT(A) - III, Cochin
Income Tax	Non deduction of Tax at Source	AY 15-16	570.37	DCIT, TDS (Trivandrum)
Income Tax	Demand payable u/s 143 (3)	AY 18-19	577.43	CIT(A) - III, Cochin
Income Tax	Demand Payable u/s 143(1)	AY 19-20	66.86	CIT(A) - III, Cochin
Income Tax	Penalty u/s 271H	AY 15-16	1.00	CIT(A) - III, Cochin
Income Tax	Demand payable u/s 143 (3)	AY 22-23	259.02	CIT(A) - III, Cochin
Income Tax	Orders giving effect to the Order of the Honorable Interim Board for	AY 10-11 to AY17-18	9217.24	Deputy Commissioner of Income Tax, Central Circle,

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	Settlement			Trivandrum
GST	Short reversal of Input Tax Credit (UP GST)	2017-18	1.14	Appeallate Authority, Uttar Pradesh
GST	Dissallowance of ITC claimed (Gujarat GST)	2018-19	9.77	Deputy Commissioner of State Tax, Appeal-1, Gujarat
GST	Short reversal of Input Tax Credit and alledged non-remittance of GST on reverse charge basis on auction of gold ornaments (Karnataka GST)	2017-18	776.18	Joint Commissioner of Commercial Taxes, Appeals-V, Bangalore

8) In our opinion and according to information and explanations given to us, there are no instances of transactions not recorded in the books of accounts subsequently surrendered as income in Tax assessments.

9) Repayment of Borrowings

(a) According to the records of the company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank or as at the balance sheet date.

With regard to debentures, there are unpaid debentures that are matured to the tune of Rs.3,764.93 lakhs as on 31.03.2024, out of which Rs.3,073.09 lakh corresponds to the principal portion and Rs.691.84 to interest. As explained to us, these are not settled since the investors have not approached the Company with the original investment documents for redemption.

(b) As per the information and explanation given to us, the Company has not been declared as a willful defaulter by any bank or financial institution or other lender.

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(c) According to the information and explanations given by us, term loans taken by the Company from financial institutions are applied for the purpose for which they were obtained.

(d) According to the information and explanations given by us, funds raised on short term basis have not been utilized for long term purposes.

(e) According to the information and explanations given by us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures,

(f) According to the information and explanations given by us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

10) (a) According to the information and explanations given to us, and on examination of records of the Company, the Company has during the year raised funds through public issue of Non Convertible Debentures of Rs. 90,538.27 lakhs that were utilized for the purposes for which they were raised.

(b) According to the information and explanations given to us, and on examination of records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly or optionally convertible debentures during the year and hence, the reporting requirement under clause(x)(b) of para 3 of the Order are not applicable

11) Fraud and Whistleblower Complaints

(a) According to the information and explanations given to us, and on examination of records of the Company, instances of whistleblower complaints were raised on various occasions during the year and appropriate actions were taken against those complaints.

(b) No report u/s 143(12) of the Act has been filed in Form ADT-4 regarding any frauds, as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with Central Government, during the year and up to the date of this report.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report) while determining the nature, timing and extent of our audit procedures.

12) The Company is not a Nidhi Company and accordingly, paragraph 3 (xii) of the order is not applicable to the Company.

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13) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14) (a) In our opinion, the Company has an internal audit system commensurate with the nature and size of the Company's business. Also, the comments of the Internal auditors in their report are considered by us in framing an opinion on the financial statements.

(b) We have considered the Internal Audit reports for the year under Audit, issued to the company during the year in determining the nature, timing and extent of our Audit procedures.

15) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them.

16) (a) The Company being a Non Banking Financial Company is required to be registered and has obtained the Certificate of Registration as provided under sec 45IA of The Reserve Bank of India Act 1934.

(b) The Company has a valid Certificate of Registration (CoR) from the Reserve Bank of India (RBI) for conducting Non-Banking Financial activities and no business has been conducted by the Company without a valid CoR.

(c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence the reporting requirement under clause (xvi) (c) of para 3 of the Order is not applicable.

(d) As informed to us, the group does not have CIC. Accordingly, reporting on paragraph 3(xvi)(d) of the Order is not applicable.

17) The company has not incurred any cash losses in the financial year under audit and in the immediately preceding financial year.

18) There has been no resignation of the statutory auditors during the financial year covered by our audit and hence the reporting requirement under clause (xviii) of para 3 of the Order is not applicable.

19) On the basis of the examination of financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statement and knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

date of balance sheet as and when they fall due within a period of one year from the balance sheet date; We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

20) (a) According to the information and explanation given to us and the records of the company examined by us, there are no unspent amounts towards corporate social responsibility other than ongoing projects requiring a transfer to a fund specified in schedule VII to the Act in compliance with the second proviso to sub section (5) of Section 135 of the said Act.

(b) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has transferred unspent amount under sub section 5 of section 135 of the Companies Act, pursuant to ongoing projects to a special account in compliance with the provision of section 135(6) of the Companies Act.

21) According to the information and explanations given to us and based on our examination of the records of the company, there has been no adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements

For Rangamani & Co.,
Chartered Accountants,
ICAI FRN:003052S

R. Krishnan
(Partner)
M.No.025927

UDIN: 24025927BKCRMX1709

Place: Thiruvananthapuram
Date: 20.05.2024

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

For Krishnan Retna & Associates
Chartered Accountants,
ICAI FRN 001536S

Nikhil R Kumar
(Partner)
M.No. 231162

UDIN: 24231162BKESUU2311

Place: Thiruvananthapuram
Date: 20.05.2024

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 2(f) under 'Report on other legal and regulatory requirements' of the Independent Auditors' Report of even date to the members of Muthoot Fincorp Limited on the Standalone IndAS Financial Statements as of and for the year ended 31 March 2024

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

Opinion

We have audited the internal financial controls over financial reporting of Muthoot Fincorp Limited ("the Company"), as of March 31, 2024, in conjunction with our audit of the Standalone Ind AS Financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

RANGAMANI & Co.
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Auditors' Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") Standards on Auditing, both issued by the ICAI and deemed to be prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 control 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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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

RANGAMANI & Co.
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authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized 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.

For Rangamani & Co., Chartered Accountants, ICAI FRN:003052 S	For Krishnan Retna & Associates Chartered Accountants, ICAI FRN: 001536S
R. Krishnan (Partner) M.No.025927	Nikhil R Kumar (Partner) M.No. 231162
UDIN: 24025927BKCRMX1709	UDIN: 24231162BKESUU2311
Place: Thiruvananthapuram Date: 20.05.2024	Place: Thiruvananthapuram Date: 20.05.2024

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LIMITED

Muthoot Centre, TC No 27/ 3022, Punnen Road, Thiruvananthapuram, Kerala - 695001

STANDALONE BALANCE SHEET AS AT MARCH 31, 2024

(INR in lakhs)

Particulars	Note	As at 31st March 2024	As at 31st March 2023
ASSETS			
1 **Financial assets**			
Cash and cash equivalents	5	1,27,835.84	2,52,361.58
Bank Balance other than above	6	13,829.91	17,001.25
Receivables	7		
Trade Receivables		3,632.32	3,133.15
Loans	8	21,41,505.08	17,25,053.20
Investments	9	1,97,085.75	1,86,671.51
Other Financial assets	10	15,575.49	14,485.70
2 **Non-financial Assets**			
Current tax assets (net)		1,600.91	-
Investment Property	11	26,119.76	26,119.76
Property, Plant and Equipment	12	39,747.51	39,301.60
Intangible assets under development	13	14.61	676.00
Other Intangible assets	13	2,094.74	844.48
Right-of-use assets	14	83,008.99	79,935.99
Other non financial assets	15	7,169.52	24,315.90
Total assets		**26,59,220.44**	**23,69,900.12**
LIABILITIES AND EQUITY			
LIABILITIES			
1 **Financial Liabilities**			
Derivative Financial Liability	16	251.18	-
Payables	17		
(I) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(II) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises		351.58	813.40
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		3,464.47	3,201.57
Debt Securities	18	2,87,032.66	3,04,642.97
Borrowings (other than debt securities)	19	15,30,597.10	12,49,815.81
Lease Liability	14	95,455.65	88,965.01
Subordinated Liabilities	20	2,14,117.72	2,27,858.69
Other Financial liabilities	21	70,736.29	74,610.16
2 **Non-financial Liabilities**			
Current tax liabilities (net)		-	2,305.00
Provisions	22	5,054.30	3,439.83
Deferred tax liabilities (net)	34	22,489.75	22,247.61
Other non-financial liabilities	23	3,368.26	2,696.64
3 **Equity**			
Equity share capital	24	19,370.56	19,370.56
Other equity	25	4,06,750.94	3,69,932.89
Total liabilities and equity		**26,59,220.44**	**23,69,900.12**
See accompanying summary of material accounting policies	1 to 4		

In terms of our joint report of even date attached

For Rangamani & Co.
Chartered Accountants
Firm Regn. No. 003052S

CA. Krishnan R
Partner
Membership No.025927
Place: Thiruvananthapuram

For Krishnan Retna & Associates
Chartered Accountants
Firm Regn. No. 001536S

CA. Nikhil R Kumar
Partner
Membership No.231162
Place: Thiruvananthapuram

For and on behalf of the Board of Directors,

Thomas John Muthoot
Managing Director
DIN: 00011618
Place: Thiruvananthapuram

Thomas George Muthoot
Director
DIN: 00011552
Place: Thiruvananthapuram

Thomas Muthoot
Executive Director and
Chief Financial Officer
DIN: 00082099
Place: Boston, USA

Sachu Sivas
Company Secretary
Place: Thiruvananthapuram

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

MUTHOOT FINCORP LIMITED

Muthoot Centre, TC No 27/ 3022, Punnen Road, Thiruvananthapuram, Kerala - 695001

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

(INR in lakhs)

		Particulars	Notes	For the year ended 31st March 2024	For the year ended 31st March 2023
(I)		**Revenue from operations**			
	(i)	Interest income	26	3,71,504.46	3,32,167.53
	(ii)	Dividend income		21.34	21.29
	(iii)	Rental income		669.67	606.67
	(iv)	Fees and commission income		17,695.49	11,632.99
	(v)	Net gain on derecognition of financial instruments under amortised cost category		7,738.88	-
	(vi)	Others	27	3,465.64	2,554.06
		Total Revenue from operations		**4,01,095.48**	**3,46,982.53**
(II)		Other Income		481.84	2,143.83
(III)		**Total Income (I + II)**		**4,01,577.32**	**3,49,126.36**
		Expenses			
	(i)	Finance costs	28	1,80,502.38	1,57,132.55
	(ii)	Impairment on financial instruments	29	2,755.59	6,717.02
	(iii)	Net Loss on fair value changes	30	321.25	289.93
	(iv)	Employee benefits expenses	31	78,964.92	59,944.74
	(v)	Depreciation, amortization and impairment	32	20,358.25	18,498.40
	(vi)	Other expenses	33	39,994.32	44,300.56
(IV)		**Total Expenses**		**3,22,896.70**	**2,86,883.20**
(V)		**Profit before tax (III- IV)**		**78,680.62**	**62,243.16**
(VI)		Tax Expense:			
		(1) Current tax		20,062.43	17,609.54
		(2) Deferred tax		(185.13)	(1,347.46)
		(3) Tax relating to prior years		2,522.41	-
(VII)		**Profit for the year (V-VI)**		**56,280.89**	**45,981.08**
(VIII)		**Other Comprehensive Income**			
	A	(i) Items that will not be reclassified to profit or loss			
		Net gain / (loss) on equity instruments measured through other comprehensive income		2,246.86	(417.64)
		Remeasurement of the defined benefit liabilities		(400.98)	73.42
		(ii) Income tax relating to items that will not be reclassified to profit or loss		(427.27)	73.19
		Subtotal (A)		1,418.61	(271.03)
	B	(i) Items that will be reclassified to profit or loss		-	-
		(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
		Subtotal (B)		-	-
		Other Comprehensive Income (A+B)		**1,418.61**	**(271.03)**
(IX)		**Total Comprehensive Income for the year (VII+VIII)**		**57,699.51**	**45,710.06**
(X)		**Earnings per equity share**	34		
		Basic (INR)		29.05	23.74
		Diluted (INR)		27.97	22.85

See accompanying summary of material accounting policies 1 to 4

In terms of our joint report of even date attached

For Rangamani & Co.
Chartered Accountants
Firm Regn. No. 003052S

CA. Krishnan R
Partner
Membership No.025927
Place: Thiruvananthapuram

For Krishnan Retna & Associates
Chartered Accountants
Firm Regn. No. 001536S

CA. Nikhil R Kumar
Partner
Membership No.231162
Place: Thiruvananthapuram

For and on behalf of the Board of Directors,

Thomas John Muthoot
Managing Director
DIN: 00011618
Place: Thiruvananthapuram

Thomas George Muthoot
Director
DIN: 00011552
Place: Thiruvananthapuram

Thomas Muthoot
Executive Director & Chief Financial Officer
DIN: 00082099
Place: Boston, USA

Sachu Sivas
Company Secretary
Place: Thiruvananthapuram

Date: May 20, 2024

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

MUTHOOT FINCORP LIMITED

Muthoot Centre, TC No 27/ 3022, Punnen Road, Thiruvananthapuram, Kerala - 695001

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

(INR in lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
A Cash flow from Operating activities		
Net Profit before taxation	**78,680.62**	**62,243.16**
Adjustments to reconcile profit before tax to net cash flows:		
Add: Depreciation, amortisation and impairment	20,358.25	18,498.40
Add: Impairment on financial instruments	(6,725.24)	5,661.71
Add: Write off	9,480.84	3,400.80
Add: Finance cost	1,80,502.38	1,57,132.55
Add: Provision for gratuity	22.51	107.65
Add: Provision for compensated absence	89.39	90.66
Add: Net (gain) / loss on fair value changes	321.25	289.93
Add: Share based payments & stock appreciation rights	1,219.40	586.09
Less: Net gain on derecognition of financial instruments	(7,294.40)	-
Less: Profit on sale of assets	(172.65)	(1,503.92)
Less: Income on investments	(1,081.77)	(729.25)
Less: Dividend income	(21.34)	(21.29)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	***2,75,379.23***	***2,45,756.48***
Adjustments for:		
(Increase)/Decrease in Trade receivables	(499.17)	(502.66)
(Increase)/Decrease in Bank balances other than cash and cash equivalents	3,171.34	(5,912.11)
(Increase)/Decrease in Loans	(4,19,207.47)	(30,249.34)
(Increase)/Decrease in Other financial asset	5,792.63	(1,710.91)
(Increase)/Decrease in Other non-financial asset	17,131.37	4,458.62
Increase/(Decrease) in Other financial liabilities	(195.05)	3,610.31
Increase/(Decrease) in Other non-financial liabilities	671.62	1,061.75
Increase/(Decrease) in Trade payables	1.08	(767.34)
Cash generated / (utilised) from / (for) operations	**(1,17,754.42)**	**2,15,744.80**
Finance cost paid	(1,76,430.07)	(1,55,648.80)
Income tax paid	(26,490.75)	(12,306.71)
Net cash flows from operating activities	**(3,20,675.25)**	**47,789.28**
B Cash flow from Investing activities		
Purchase of property, plant and equipment, intangible assets & inventory	(7,100.26)	(6,618.04)
Proceeds from sale of fixed assets	3.96	237.29
Proceeds from sale of investment property	-	4,920.00
Proceeds against (purchase) / sale of investment funds	(2,222.50)	494.18
Proceeds against (purchase) / sale of equity investments	(246.84)	(170.20)
Purchase of shares of muthoot microfin limited	(3,049.29)	(23,225.00)
Investment in muthoot housing finance company limited	(2,500.00)	-
Dividend income	21.34	21.29
Income on investments	1,081.77	729.25
Net cash flows from investing activities	**(14,011.83)**	**(23,611.22)**
C Cash flow from Financing activities		
Increase / (decrease) in debt securities	(17,275.57)	(75,398.88)
Increase / (decrease) in borrowings (other than debt securities)	2,81,403.12	97,275.85
Increase / (decrease) in subordinated liabilities	(12,901.09)	(9,595.30)
Payment of lease liabilities	(20,183.67)	(18,722.79)
Dividend paid	(20,881.46)	(1,355.94)
Net cash flows from financing activities	**2,10,161.33**	**(7,797.06)**
D Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(1,24,525.75)**	**16,381.00**
Cash and cash equivalents at April 01, 2023 / April 01, 2022	2,52,361.58	2,35,980.59
Cash and cash equivalents at March 31, 2024 / March 31, 2023	**1,27,835.84**	**2,52,361.58**

See accompanying summary of material accounting policies

In terms of our joint report of even date attached

For Rangamani & Co.
Chartered Accountants
Firm Regn. No. 003052S

CA. Krishnan R
Partner
Membership No.025927
Place: Thiruvananthapuram

For Krishnan Retna & Associates
Chartered Accountants
Firm Regn. No. 001536S

CA. Nikhil R Kumar
Partner
Membership No.231162
Place: Thiruvananthapuram

Date: May 20, 2024

For and on behalf of the Board of Directors,

Thomas John Muthoot
Managing Director
DIN: 00011618
Place: Thiruvananthapuram

Thomas George Muthoot
Director
DIN: 00011552
Place: Thiruvananthapuram

Thomas Muthoot
Executive Director & Chief Financial Officer
DIN: 00082099
Place: Boston, USA

Sachu Sivas
Company Secretary
Place: Thiruvananthapuram

RANGAMANI & CO. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

MUTHOOT FINCORP LIMITED

Muthoot Centre, TC No 27/ 3022, Punnen Road, Thiruvananthapuram, Kerala - 695001

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

A. Equity Share Capital

Equity shares of INR 10/- each issued, subscribed and fully paid *(INR in lakhs)*

Particulars	No. of shares	Amount
Balance as on 1st April 2022	**19,37,05,560.00**	**19,370.56**
Changes in equity share capital due to prior period errors	-	-
Restated Balance as on 1st April 2022	-	-
Changes in equity share capital during the year	-	-
Balance as on 31st March 2023	**19,37,05,560.00**	**19,370.56**
Changes in equity share capital due to prior period errors	-	-
Restated Balance as on 1st April 2023	-	-
Changes in equity share capital during the year	-	-
Balance as on 31st March 2024	**19,37,05,560.00**	**19,370.56**

B. Other Equity *(INR in lakhs)*

Particulars	Reserves and Surplus			Other Comprehensive Income		Total Other Equity
	Securities Premium Reserve	Statutory Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Actuarial valuation of gratuity impact through Other Comprehensive Income	
Balance as on 31st March 2022	**38,129.85**	**55,903.70**	**1,30,303.52**	**1,00,950.23**	**291.47**	**3,25,578.77**
Profit for the year	-	-	45,981.08	-	-	45,981.08
Other Comprehensive Income (net of taxes)	-	-	-	(325.97)	54.94	(271.03)
Transfer to Reserves u/s. 45-IC of RBI Act, 1934	-	9,196.22	(9,196.22)	-	-	-
Dividend Paid	-	-	(1,355.94)	-	-	(1,355.94)
Balance as on 31st March 2023	**38,129.85**	**65,099.92**	**1,65,732.44**	**1,00,624.26**	**346.41**	**3,69,932.89**
Profit for the year	-	-	56,280.89	-	-	56,280.89
Other Comprehensive Income (net of taxes)	-	-	-	1,718.67	(300.06)	1,418.61
Transfer to Reserves u/s. 45-IC of RBI Act, 1934	-	11,256.18	(11,256.18)	-	-	-
Dividend Paid	-	-	(20,881.46)	-	-	(20,881.46)
Balance as on 31st March 2024	**38,129.85**	**76,356.10**	**1,89,875.70**	**1,02,342.93**	**46.35**	**4,06,750.94**

See accompanying summary of material accounting policies

In terms of our joint report of even date attached

For Rangamani & Co.
Chartered Accountants
Firm Regn. No. 003052S

CA. Krishnan R
Partner
Membership No.025927
Place: Thiruvananthapuram

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

Date: May 20, 2024

For Krishnan Retna & Associates
Chartered Accountants
Firm Regn. No. 001536S

CA. Nikhil R Kumar
Partner
Membership No.231162
Place: Thiruvananthapuram

For and on behalf of the Board of Directors,

Thomas John Muthoot
Managing Director
DIN: 00011618
Place: Thiruvananthapuram

Thomas George Muthoot
Director
DIN: 00011552
Place: Thiruvananthapuram

Thomas Muthoot
Executive Director and
Chief Financial Officer
DIN: 00082099
Place: Boston, USA

Sachu Sivas
Company Secretary
Place: Thiruvananthapuram

MUTHOOT FINCORP LTD PUNNEN ROAD TRIVANDRUM

Muthoot FinCorp Limited
Notes forming part of Financial Statements

Summary of material accounting policies and other explanatory information

1. Corporate Information

Muthoot FinCorp Limited, ('MFL' or 'the Company'), is a public limited company, incorporated on June 10, 1997 under the provisions of Companies Act, 1956. The company is a Non-Deposit Accepting Non-Banking Financial Company (NBFC) registered with Reserve Bank of India (RBI) and was classified as a Non Deposit Taking Systematically Important Loan Company (NDSI). Based on the RBI notification RBI/2021-22/112 DOR.CRE.REC.No.60/03.10.001/2021-22, dated October 22, 2021, the Company is classified as NBFC - Middle Layer (NBFC-ML) under the Scale Based Regulation for Non-Banking Financial Companies.

Muthoot FinCorp Limited, the flagship company of the Muthoot Pappachan Group, provides a diverse mix of retail offerings catering to the various needs of its customers and is primarily engaged in business of Gold, SME Loans, Personal Loans and Loans against Property through its branch network across India. The company also offers Forex Services, Money Transfer Services and Wealth Management Services to its customers in its strive to be the most trusted financial service provider. The company is engaged in real estate business to a very limited extent.

MFL is the parent company of Muthoot Microfin Limited, Muthoot Housing Finance Company Limited and Muthoot Pappachan Technologies Limited.

The Company's registered office is at Muthoot Centre, TC No 27/ 3022 Punnen Road, Thiruvananthapuram, Kerala, India, 695001.

The Registration details of the Company are as follows:
Reserve Bank of India Registration no.: N - 16.00170
Corporate Identity Number (CIN): U65929KL1997PLC011518

2. Basis of preparation

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act, the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and notification for Implementation of Indian Accounting Standard vide circular RBI/2019-20/170 DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 ('RBI Notification for Implementation of Ind AS') issued by RBI to the extent applicable. The Company uses accrual basis of accounting except in case of significant uncertainties.

The financial statements are prepared on a going concern basis, as the Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption.

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.

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

Basis of measurement

The financial statements have been prepared on a historical cost basis, except for following assets and liabilities which have been measured at fair value:

- i) Investments in equity instruments at fair value through other comprehensive income (FVOCI) or at fair value through statement of profit or loss (FVTPL)
- ii) Investments which are held for trading
- iii) Defined benefit plans.
- iv) Cumulative, Compulsorily Convertible Preference Shares issued at Fair Value through profit or loss (FVTPL)
- v) Derivative Financial Liability

Functional and presentation currency

The financial statements are presented in Indian Rupees (INR) which is also functional currency of the Company and the currency of the primary economic environment in which the Company operates. All values are rounded to the nearest lakhs, except when otherwise indicated.

3. Material accounting policies

3.1 Recognition of 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. Interest income is not recognized on credit impaired assets.

3.2 Recognition of revenue from sale of goods and services

Revenue (other than for financial instruments) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

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.

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

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

Revenue from contract with customer for rendering services is recognised at a point in time when performance obligation is satisfied.

3.2.1 Dividend income

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

3.2.2 Rental Income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in rental income in the statement of profit and loss, unless the increase is in line with expected general inflation, in which case lease income is recognised based on contractual terms.

3.2.3 Fees and commission income

Fees and commission income such as service charges, commission from fee based business lines, service income etc. are recognised on point in time basis.

3.2.4 Net gain / loss on fair value changes

The Company designates certain financial assets for subsequent measurement at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI). The Company recognises gains / losses on fair value change of financial assets measured at FVTPL on net basis.

3.2.5 Net gain on derecognition of financial instruments

Gains arising out of direct assignment transactions comprise the difference between the interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee, also known as the excess interest spread (EIS).In accordance with Ind AS 109 and as per management practice, in case of assignment transactions with complete transfer of risks and rewards without any retention of residual interest, gain arising on such assignment transactions is recorded upfront in the Statement of Profit and Loss and the corresponding asset is derecognized from the Balance Sheet immediately upon execution of such transaction. Further, where the transfer of financial asset qualifies for derecognition in its entirety, the whole of the interest spread at its present value (discounted over the life of the asset) is recognized on the date of derecognition itself as receivable towards assignment transactions and correspondingly recognized as gain on derecognition of financial asset.

3.3 Financial instruments

1.1.1. Initial recognition

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Loans are recognised when funds are transferred to the customers' account. Investments are recognised on settlement date. The Company recognises debt securities and borrowings when funds reach the Company, post allotment if applicable.

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

1.1.2. Initial and subsequent measurement of financial instruments

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

1. Debt instruments at amortised cost
2. Debt instruments at fair value through other comprehensive income (FVTOCI)
3. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
4. Equity instruments in subsidiary companies at cost
5. Equity instruments measured at fair value through other comprehensive income FVTOCI

The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets which are explained below:

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed
- How managers of the business are compensated (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 sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The SPPI test

As a second step of its classification process, the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

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

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

1.1.3. Financial assets measured at amortised cost

A 'debt instrument' is measured at amortised cost if both the following conditions are met:

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

a. The financial asset is held within a business model with the objective to hold financial assets to collect contractual cash flows and

b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement at fair value plus directly attributable costs, these financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the profit or loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in statement of profit and loss.

1.1.4. Financial assets measured at fair value through other comprehensive income

A 'debt instrument' is measured at fair value through other comprehensive income if both the following conditions are met:

a. The financial asset is held within a business model with the objective to hold financial assets to collect contractual cash flows and selling the assets and

b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

Debt instruments included within the FVTOCI category are measured at each reporting date at fair value with such changes being recognised in other comprehensive income (OCI). The interest income on these assets is recognised in profit or loss. 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 income statement.

1.1.5. Financial Instrument measured at fair value through profit or loss

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition, if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Company's investment is classified as FVTPL, if it is acquired or incurred principally for the purpose of 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.

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

1.1.6. Equity instruments

The Company subsequently measures investment in equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity investments as equity instruments at FVTOCI, when such instruments meet the definition of Equity under Ind AS 32 *Financial Instruments: Presentation* and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments classified at FVTOCI are never recycled to profit or loss. Dividends are recognised in profit or loss as dividend income when the right of the payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI.

3.3.1 Financial Liabilities

Initial Measurement

All financial liabilities are initially recognised at fair value. Transaction cost that are directly attributable to the acquisition or the issue of financial liability, which are not at fair value through profit or loss, are adjusted to fair value at initial recognition.

Subsequent Measurement

Financial liabilities except cumulative compulsorily convertible preference shares and derivative financial liability, are subsequently carried at amortized cost using the effective interest method.

3.4 Derecognition of financial assets and liabilities

3.4.1 Financial Asset

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either:

a) The Company has transferred its contractual rights to receive cash flows from the financial asset

or

b) It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- The Company cannot sell or pledge the original asset other than as security to the eventual recipients
- The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset or,
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset
- The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

3.4.2 Financial Liability

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

3.5 Offsetting

Financial assets and financial liabilities are generally reported gross in the balance sheet. Financial assets and liabilities are offset, and the net amount is presented in the balance sheet when the Company has a legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously in all the following circumstances:

a. The normal course of business
b. The event of default
c. The event of insolvency or bankruptcy of the Company and/or its counter parties.

3.6 Impairment of financial assets

3.6.1 Overview of the Expected Credit Loss (ECL) principles

The Company has created provisions on all financial assets wherever required, except for financial assets classified as FVTPL, based on the expected credit loss method.

The ECL provision is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on financial assets that are possible within the 12 months after the reporting date.

The Company performs an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Company categorises its loans into three stages as described below:

<u>For non-impaired financial instruments</u>

- Stage 1 is comprised of all non-impaired financial instruments which have not experienced a significant increase in credit risk (SICR) since initial recognition. A 12-month ECL provision is made for stage 1 financial instruments. In assessing whether credit risk has increased significantly, the Company compares the risk of a default occurring on the financial instrument as at the reporting date, with the risk of a default occurring on the financial instrument as at the date of initial recognition.

- Stage 2 is comprised of all non-impaired financial instruments which have experienced a SICR since initial recognition. The Company recognises lifetime ECL for stage 2 financial instruments. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a SICR since initial recognition, then entities recognize 12 months of ECL.

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For impaired financial instruments:

Financial instruments are classified as stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a loan or a portfolio of loans. The Company recognises lifetime ECL for impaired financial instruments.

3.6.2 The calculation of ECLs

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon.

The Company uses historical information where available to determine PD. Considering the different products, schemes, ticket size, loan to value and geographies, the Company has bifurcated its loan portfolio into various pools. PD is calculated using Incremental NPA approach considering fresh slippage using historical information. Where historical information is not available for arriving at reasonable default probability, published probability of default for similar loan segments are used by the Company.

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

Loss Given Default (LGD) – The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive. The Company uses computed discounted recoveries in NPA accounts that are closed during the year where historical information is available and uses Foundational Internal Ratings Based approach (FIRB) norms in the absence of sufficient historical trends.

Forward looking information

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

Write-offs

Loans and other assets are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when it is determined that the customer 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.

Collateral

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as gold, securities, stock, current asset etc. However, the fair value of collateral affects the calculation of ECLs. The fair value of the same is based on data provided by third party or management judgements.

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Impairment of Trade receivables

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables.

3.7 Determination of fair value

The Company measures financial instruments, such as, investments at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability, or
ii. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, if market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which enough data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments – Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments – Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

Level 3 financial instruments – Those that include one or more unobservable input that is significant to the measurement as whole.

3.8 Foreign Currency translation

Transactions in foreign currencies, if any, are initially recorded in the functional currency at the spot rate of ex-change ruling at the date of the transaction. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

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Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the spot rate of exchange at the reporting date. All differences arising on non–trading activities are taken to other income/expense 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.

3.9 Derivative Financial Liability

The company enters into derivative financial instruments such as foreign exchange forward contracts to manage its exposure to foreign exchange rate risk. Derivatives are recognized at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The resulting gain/loss is recognized in the Statement of Profit and Loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedge relationship.

3.10 Finance cost

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

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method. These include fees including upfront costs incurred in relation to borrowings, commissions payable to advisers and other expenses such as external legal costs, provided these are incremental costs that are directly related to the issue of a financial liability. Interest accrued on lease liability recognized and measured in accordance with Ind AS 116 "Leases" also forms part of Finance cost.

3.11 Other income and expenses

All Other income and expense are recognized in the period they occur.

3.12 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, short-term deposits with an original maturity of three months or less and forex balances, which are subject to an insignificant risk of changes in value.

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

3.13 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.

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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.

3.13.1 Depreciation

Tangible assets are stated at historical cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is charged based on a review by the management during the year and at the rates derived based on the useful lives of the assets as specified in Schedule II of the Companies Act, 2013 on Straight Line Method. The estimated useful lives are as follows:

Particulars	Useful life
Building	60 years
Computer	3 years
Furniture and Fixtures	5 to 30 years
Plant and Equipment	5 to 20 years
Vehicles	5 to 8 years
Windmill	22 years
Office equipment	15 years

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 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.

3.14 Intangible assets

The Company's intangible assets consist of computer software.

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.

Intangible assets are amortised using the Written down value 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 Written down value basis over a period of 3 years keeping residual value 5%.

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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.

3.15 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, borrowing cost and other directly attributable cost in bringing the asset to its working condition for its intended use. Subsequent expenditure is capitalized to the assets carrying amount only when it is probable that the future economic benefit associated with the expenditure will flow to the company.

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.

The fair value of investment property is disclosed in the notes accompanying these financial statements. Fair value has been determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

3.16 Impairment of non-financial assets

The Company's assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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 the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.17 Post-employment benefits

3.17.1 Defined contribution schemes

Contributions to the Employees Provident Fund Scheme maintained by the Central Government, Employee State Insurance Corporation (ESIC) etc. are accounted for on an accrual basis. Retirement benefit in the form of provident fund is a defined contribution scheme.

The company has no obligation, other than the contribution payable under the schemes. The company recognizes contribution payable to the provident fund scheme / ESIC as expenditure, when an employee renders the related service. If the contribution payable to the scheme / ESIC for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized 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 recognized as an asset.

3.17.2 Defined Benefit schemes

Gratuity

The Company provides for gratuity covering eligible employees under which a lumpsum payment is paid to vested employees at retirement, death, incapacitation or termination of employment, of an amount reckoned on the respective employee's salary and his tenure of employment with the Company. The Company accounts for its liability for future gratuity benefits based on actuarial valuation determined at each Balance Sheet date by an Independent Actuary using Projected Unit Credit Method. The Company makes contributions to a Gratuity Fund administered by the Life Insurance Corporation of India.

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

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

Re-measurement, comprising of actuarial gains and losses (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through 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.

3.17.3 Employee Stock Option & Employee Stock Appreciation Right

The Company has formulated its Employees Stock Option Schemes and Stock Appreciation Right Schemes (SAR). The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in Provisions and the fair value of SAR granted is recognized as an employee benefit expense having a corresponding increase in financial liability. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest.

3.18 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 a provision is presented in the statement of profit and loss net of any reimbursement.

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3.19 Taxes

Income tax expense represents the sum of current tax and deferred tax.

3.18.1 Current Tax

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible in accordance with applicable tax laws.

The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the end of reporting date in India 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.

3.18.2 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 relating to items recognised outside profit and loss is recognised either in other comprehensive income or in equity. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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.

3.18.3 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 and / or payable to, the taxation authority is included as part of receivables or payables respectively in the balance sheet.

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3.20 Contingent Liabilities and assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

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

3.21 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 deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For 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.

3.22 Dividends on ordinary shares

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

3.23 Leases

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.

Company as a lessee

The Company's lease asset class consist of building and equipment. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company has, at the date of transition, recognized a right-of use asset and a corresponding lease liability for all active lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term lease) and low value assets. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight line basis over the term of the lease.

The right-of-use assets are recognized at cost which comprises the present value of the lease liability as at the date of transition. Right-of-use assets are depreciated on a straight-line basis over the shorter of the balance lease term and useful life of the underlying asset. The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease

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payments are discounted using the interest rate implicit on the lease or, if not readily determinable, using the incremental borrowing rates. Interest accrued on lease liability and lease payments made, are subsequently adjusted to the initial recognition of lease liability.

Company as a lessor

Leases where the Company does not transfer substantially all the risks and benefits incidental to ownership of the leased items are operating leases. Rental Income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in rental income in the statement of profit and loss.

3.24 Cash flow statement

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

4 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:

4.1 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 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.

4.2 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 at each reporting date.

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4.3 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.

4.4 Impairment of financial assets

The measurement of impairment losses across all categories of financial assets requires judgement 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 several 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, regulatory advisories, market conditions and forecasts and revise when necessary.

4.5 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.

4.6 Provisions

At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

4.7 Other estimates:

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

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(Rupees in lakhs, except for share data and unless otherwise stated)

5 Cash and cash equivalents

Particulars	As at 31st March 2024	As at 31st March 2023
Cash on hand	8,195.84	9,275.14
Balances with Banks		
- in current accounts	83,955.65	1,13,093.97
- in deposit accounts having original maturity less than three months*	35,266.24	1,29,829.96
Others		
-Foreign currency balances	418.11	162.52
Total	**1,27,835.84**	**2,52,361.58**

* Includes earmarked balances of INR 3,527.93 as at 31st March 2024 (31st March 2023 - INR 4,800) towards margin money, security & debenture redemption reserve

6 Bank Balance other than above

Particulars	As at 31st March 2024	As at 31st March 2023
Deposit with original maturity for more than three months but less than twelve months*	6,221.76	9,994.37
Balance with Banks in escrow accounts	7,608.14	7,006.88
Total	**13,829.91**	**17,001.25**

* Includes earmarked balances of INR 6,118.86 as at 31st March 2024 (31st March 2023 - INR 9,737.63) towards margin money, security, debenture redemption reserve & staff security deposits.

7 Receivables

Particulars	As at 31st March 2024	As at 31st March 2023
TRADE RECEIVABLES		
Receivables considered good - Unsecured		
Receivables from Money Transfer business	1,579.26	837.00
Wind Mill income receivable	1,957.47	2,241.65
Other Trade Receivables	95.60	54.51
Sub-Total	**3,632.32**	**3,133.15**
Less: Allowances for Impairment Loss	-	-
Total Net receivable	**3,632.32**	**3,133.15**

(i) Of the total receivables as above, the following pertains to receivables due from directors or other officers of the Company either severally or jointly with any other person or from firms or privat companies respectively in which any director is a partner, a director or a member:

Particulars	As at 31st March 2024	As at 31st March 2023
From Directors, relatives of Directors or Officers of the Company	3.13	1.99
From firms or trusts in which any director is a partner or member	2.78	0.17
From Companies in which any director is a director or a member	55.48	12.34
Total	**61.40**	**14.51**

(ii)Trade receivables are non-interest bearing. These consist primarily of receivable from government and other parties, and does not involve any credit risk.

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(iii) Ageing Schedule of Trade Receivables (As at 31st March, 2024)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables- considered good	1,816.03	176.73	1,490.00	149.56	-	3,632.32
(ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-
(iv)Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-

(iv)Ageing Schedule of Trade Receivables (As at 31st March,2023)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables- considered good	1,031.26	639.68	857.39	505.18	99.64	3,133.15
(ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-
(iv)Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-

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RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

(Rupees in lakhs, except for share data and unless otherwise stated)

8 **Loans (At amortised Cost)**

Particulars	As at 31st March 2024	As at 31st March 2023
A.		
Retail Loans	21,42,676.46	17,31,869.35
High Value Loans	28,496.60	29,572.39
Staff Loan	61.07	65.75
Total	**21,71,234.13**	**17,61,507.49**
Less: Impairment loss allowance	(29,729.05)	(36,454.29)
Total (A) - Net	**21,41,505.08**	**17,25,053.20**
B.		
I) Secured by tangible assets		
Retail Loans	21,31,553.90	17,29,301.22
High Value Loans	28,139.63	29,276.96
II) Secured by intangible assets	-	-
Total (I) - Gross	**21,59,693.53**	**17,58,578.18**
Less : Impairment loss allowance	(29,076.26)	(34,771.08)
Total (I) - Net	**21,30,617.26**	**17,23,807.10**
II) Covered by Bank / Government Guarantees	-	-
III) Unsecured		
Retail Loans	11,122.56	2,568.13
High Value Loans	356.97	295.43
Staff Loan	61.07	65.75
Total (III) - Gross	**11,540.60**	**2,929.31**
Less : Impairment loss allowance	(652.78)	(1,683.22)
Total (III) - Net	**10,887.82**	**1,246.10**
Total (I+II+III) - Net	**21,41,505.08**	**17,25,053.20**
C.		
I) Loans in India		
i) Public Sector	-	-
ii) Others	21,71,234.13	17,61,507.49
II) Loans outside India	-	-
Total (C) - Gross	**21,71,234.13**	**17,61,507.49**
Less: Impairment Loss Allowance	(29,729.05)	(36,454.29)
Total (C)- Net	**21,41,505.08**	**17,25,053.20**

The Company has continued its co-lending arrangements with banks for Gold loans. A total disbursement of INR 2,60,287.10 (31st March, 2023 - INR 3,40,362.20) was undertaken during the year under the Co-lending mechanism. As at 31st March, 2024, the total managed assets under the Co-lending mechanism amounted to INR 98,220.05 (INR 1,15,378.42 as at 31st March, 2023).

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

Credit Quality of Assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are discussed in Note 44.

Particulars	March 31, 2024				March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
High grade	19,27,698.70	-	-	19,27,698.70	15,47,599.04	-	-	15,47,599.04
Standard grade	78,698.08	-	-	78,698.08	68,730.70	-	-	68,730.70
Sub-standard grade	-	89,792.58	-	89,792.58	-	72,625.47	-	72,625.47
Past due but not impaired	-	39,898.26	-	39,898.26	-	35,391.15	-	35,391.15
Non- performing								
Individually impaired	-	-	35,146.50	35,146.50	-	-	37,161.13	37,161.13
Total	**20,06,396.79**	**1,29,690.84**	**35,146.50**	**21,71,234.13**	**16,16,329.75**	**1,08,016.61**	**37,161.13**	**17,61,507.49**

An analysis of changes in the gross carrying amount in relation to receivables under financing activities is, as follows:

Particulars	2023-24				2022-23			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	16,16,329.75	1,08,016.61	37,161.13	17,61,507.49	15,65,191.55	1,17,162.63	49,959.29	17,32,313.47
New assets originated or purchased	47,56,424.49	-	-	47,56,424.49	43,34,393.64	-	-	43,34,393.64
Assets derecognised or repaid (excluding write offs)	(37,08,895.63)	(3,68,407.88)	(2,59,913.50)	(43,37,217.02)	(36,67,625.20)	(3,76,561.05)	(2,59,958.04)	(43,04,144.30)
Assets written off during the period	-	-	(9,480.84)	(9,480.84)	-	-	(1,055.32)	(1,055.32)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	(4,47,119.31)	4,47,119.31	-	-	(4,34,456.12)	4,34,456.12	-	-
Transfers to Stage 3	(2,10,342.51)	(57,037.20)	2,67,379.71	-	(1,81,174.12)	(67,041.08)	2,48,215.20	-
Gross carrying amount closing balance	**20,06,396.79**	**1,29,690.84**	**35,146.50**	**21,71,234.13**	**16,16,329.75**	**1,08,016.61**	**37,161.13**	**17,61,507.49**

Reconciliation of ECL balance is given below:

Particulars	2023-24				2022-23			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	9,006.98	507.60	26,939.71	36,454.29	7,187.86	835.83	22,768.90	30,792.59
New assets originated or purchased	19,124.88	-	-	19,124.88	24,153.35	-	-	24,153.35
Assets derecognised or repaid (excluding write offs)	(17,420.88)	(1,932.72)	(1,64,571.33)	(1,83,924.92)	(18,903.65)	(2,813.53)	(1,74,715.80)	(1,96,432.98)
Assets written off during the period	-	-	(9,480.84)	(9,480.84)	-	-	(1,055.32)	(1,055.32)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	(1,797.80)	1,797.80	-	-	(2,421.00)	2,421.00	-	-
Transfers to Stage 3	(845.76)	(195.31)	1,041.07	-	(1,009.59)	(315.05)	1,324.64	-
Impact on year end ECLs of exposures transferred between stages during the year	-	266.73	1,67,288.90	1,67,555.63	-	379.36	1,78,617.30	1,78,996.65
ECL allowance - closing balance	**8,067.43**	**444.10**	**21,217.52**	**29,729.05**	**9,006.98**	**507.60**	**26,939.71**	**36,454.29**

Transferred financial assets that are derecognised in their entirety but where the Company has continuing involvement

The Company had sold some loans and advances measured at amortised cost, as a source of finance in previous reporting periods. As per terms of the deal, risk and reward had been transferred to the customer. Hence, as per the derecognition criteria of IND AS 109, including transfer of substantially all risks and rewards relating to assets being transferred to the buyer being met, the assets were derecognised. The table below summarises the carrying amount of the derecognised financial assets:

Particulars	As at 31st March 2024	As at 31st March 2023
Carrying amount of derecognised financial assets	19,310.23	-
Gain/(loss) from derecognition	7,738.88	-

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

(Rupees in lakhs, except for share data and unless otherwise stated)

9 **Investments**

Particulars	As at 31st March 2024	As at 31st March 2023
(i) At Amortized Cost / At Cost		
Debt securities (At Amortized Cost)		
Unlisted Debentures		
Investment Richa Lifespace Private Limited	612.50	612.50
Investment Diyug Construction Private Limited	282.85	282.85
Investment Richa Realtors Private Limited	1,300.00	1,300.00
Equity Instruments (At Cost)		
Subsidiary-Unquoted*		
Inv-Muthoot Housing Finance Company Limited	17,291.02	14,791.02
Inv-Muthoot Pappachan Technologies Limited	3.00	3.00
	19,489.37	**16,989.37**
(ii) At Fair Value through Profit or Loss		
Alternate Investment Funds		
Inv-JM Financial India Fund II	275.38	236.50
Inv-BPEA India Credit - Trust II	-	168.86
Others - Unquoted		
Inv-Stragence Debt Fund	997.61	997.61
Others - Quoted		
Inv-Union Mutual Fund	2,501.85	-
	3,774.84	**1,402.98**
(iii) At Fair Value through Other Comprehensive Income		
Equity instruments		
Subsidiary-Quoted		
Inv-Muthoot Microfin Limited*	1,70,977.50	-
Subsidiary-Unquoted		
Inv-Muthoot Microfin Limited	-	1,66,298.57
Others-Quoted		
Inv-Equity Shares (DP account with Motilal Oswal)	2,449.60	1,690.38
Others-Unquoted		
Inv-Muthoot Pappachan Chits Private Limited	22.03	14.94
Inv-Avenues India Private Limited	479.10	479.10
Inv-Fair Asset Technologies (P) Limited	721.31	720.64
Inv-The Thinking Machine Media Private Limited	9.00	9.00
Inv-Speckle Internet Solutions Private Limited	42.86	42.86
Others - Quoted		
Inv-PMS - Motilal Oswal	327.60	231.12
	1,75,028.99	**1,69,486.61**
Total Gross (A)	**1,98,293.20**	**1,87,878.95**
i) Investments outside India	-	-
ii) Investments in India	1,98,293.20	1,87,878.95
Total Gross (B)	**1,98,293.20**	**1,87,878.95**
Less : Allowance for impairment loss (C)	(1,207.44)	(1,207.44)
Total (A) - (C)	**1,97,085.75**	**1,86,671.51**

Muthoot Microfin Limited completed its Initial Public Offering (IPO) during the year, pursuant to which its shares where listed on the National Stock Exchange and Bombay Stock Exchange on December 26, 2023.

Debt Instruments measured at Amortised Cost

Credit Quality of Assets

Particulars	31/03/2024				31/03/2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
High grade	-	-	-	-	-	-	-	-
Standard grade	-	-	-	-	-	-	-	-
Sub-standard grade	-	-	-	-	-	-	-	-
Past due but not impaired	-	-	-	-	-	-	-	-
Non- performing								
Individually impaired	-	-	2,195.35	2,195.35	-	-	2,195.35	2,195.35
Total	-	-	**2,195.35**	**2,195.35**	-	-	**2,195.35**	**2,195.35**

An analysis of changes in the gross carrying amount in relation to Debt Instruments measured at Amortised Cost is, as follows

Particulars	31/03/2024				31/03/2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	-	-	2,195.35	2,195.35	-	-	2,195.35	2,195.35
New assets originated or purchased	-	-	-	-	-	-	-	-
Assets derecognised or repaid (excluding write offs)	-	-	-	-	-	-	-	-
Assets written off during the period	-	-	-	-	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	-	-	**2,195.35**	**2,195.35**	-	-	**2,195.35**	**2,195.35**

Reconciliation of ECL balance is given below:

Particulars	31/03/2024				31/03/2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	-	-	1,207.44	1,207.44	-	-	1,207.44	1,207.44
New assets originated or purchased	-	-	-	-	-	-	-	-
Assets derecognised or repaid (excluding write offs)	-	-	-	-	-	-	-	-
Assets written off during the period	-	-	-	-	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
ECL allowance - closing balance	-	-	**1,207.44**	**1,207.44**	-	-	**1,207.44**	**1,207.44**

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RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

10 Other financial assets

Particulars	As at 31st March 2024	As at 31st March 2023
Security deposits	6,388.29	6,140.45
Interest accrued on fixed deposits with banks	321.33	626.97
Deposits	237.40	171.62
Deposit with original maturity for more than twelve months*	404.03	107.54
Receivables from auction proceeds	-	4,803.44
Receivable towards assignment transactions	7,553.29	-
Other financial assets	671.15	2,635.69
Total	**15,575.49**	**14,485.70**

* Includes earmarked balances of INR 218.87 as at 31st March 2024 (31st March 2023 - INR 32.54) towards margin money & security to pension fund regulatory and development authority.

(i) Other Financial Assets above consists of the following receivables due from directors or other officers of the Company either severally or jointly with any other person or from firms or private companies respectively in which any director is a partner, a director or a member:

Particulars	As at 31st March 2024	As at 31st March 2023
From Directors, relatives of Directors or Officers of the Company	-	-
From firms in which any director is a partner	-	-
From Companies in which any director is a director or a member	3,426.08	3,060.78
Total	**3,426.08**	**3,060.78**

11 Investment Property

Particulars	As at 31st March 2024	As at 31st March 2023
Inventory – Projects		
Opening Balance	26,119.76	30,236.55
Transferred from / (to) property, plant and equipment	-	-
Acquisitions	-	-
Disposal	-	(4,116.78)
Closing balance	**26,119.76**	**26,119.76**
Depreciation and Impairment		
Opening balance	-	-
Charge for the year	-	-
Closing Balance	-	-
Net Block	**26,119.76**	**26,119.76**

11.1. Investment Property includes lien marked properties of INR 9,460.56 as at 31st March, 2024 (March 31, 2023 - INR 9,460.56)

11.2. Fair Value of Investment Property as at March 31, 2024 - INR 28,742.97 (March 31, 2023 - INR 27,823.11)

11.3. Investment Property does not contain any immovable property which is not held in the name of the company

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

MUTHOOT FINCORP LIMITED

Notes to standalone financial statements for the year ended March 31, 2024

(Rupees in lakhs, except for share data and unless otherwise stated)

12 Property, Plant and Equipment

Particulars	Buildings	Computer	Furniture & Fixtures	Land	Plant & Equipment	Vehicles	Windmill	Office Equipment	Equipment - Finance Lease	Total
As at 31st March 2022	5,850.61	5,225.19	24,234.93	12,555.55	15,098.09	306.01	7,449.78	345.33	-	71,065.49
Addition during the year	448.51	821.37	1,244.81	-	2,254.79	1.42	-	116.06	-	4,886.96
Disposals	(39.60)	-	-	(22.77)	-	-	-	-	-	(62.37)
As at 31st March 2023	6,259.52	6,046.56	25,479.75	12,532.78	17,352.88	307.43	7,449.78	461.39	-	75,890.08
Addition during the year	-	1,894.54	919.91		2,833.41	-	-	125.31	-	5,773.16
Disposals	-	-	-	-	-	(0.98)	-	-	-	(0.98)
As at 31st March 2024	6,259.52	7,941.10	26,399.64	12,532.78	20,186.28	306.45	7,449.78	586.70	-	81,662.27
Accumulated Depreciation:										
As at 1st April 2022	462.12	4,527.30	14,150.32	-	10,092.62	217.71	2,560.12	139.88	0.00	32,150.07
Charged for the year	102.06	637.45	1,608.42	-	1,473.31	14.60	511.74	90.83	-	4,438.41
Disposals	-	-	-	-	-	-	-	-	-	-
As at 31st March 2023	564.17	5,164.75	15,758.74	-	11,565.93	232.32	3,071.87	230.71	0.00	36,588.48
Charged for the year	105.39	944.51	1,528.59	-	2,041.70	20.04	511.74	174.29	-	5,326.27
Disposals	-	-	-	-	-	-	-	-	-	-
As at 31st March 2024	669.57	6,109.26	17,287.34	-	13,607.63	252.36	3,583.61	405.00	0.00	41,914.75
Net book value:										
As at 31st March 2023	5,695.35	881.81	9,720.99	12,532.78	5,786.95	75.11	4,377.92	230.68	-	39,301.60
As at 31st March 2024	5,589.95	1,831.84	9,112.31	12,532.78	6,578.66	54.09	3,866.17	181.70	-	39,747.51

12.1. Property Plant & Equipment details does not contain any immovable property which is not held in the name of the company

13 Intangible Assets

Particulars	Intangible assets under development	Other Intangible Assets - Computer Software
As at 31st March 2022	-	2,759.25
Addition during the year	676.00	568.60
Disposals	-	-
As at 31st March 2023	676.00	3,327.85
Addition during the year	14.61	1,989.47
Disposals/capitalized during the year	(676.00)	-
As at 31st March 2024	14.61	5,317.32
Accumulated Depreciation:		
As at 31st March 2022	-	1,821.67
Charged for the year	-	661.71
Disposals	-	-
As at 31st March 2023	-	2,483.37
Charged for the year		739.21
Disposals	-	-
As at 31st March 2024	-	3,222.58
Net book value:		
As at 31st March 2023	676.00	844.48
As at 31st March 2024	14.61	2,094.74

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

(Rupees in lakhs, except for share data and unless otherwise stated)

14 Right-of-use assets & Lease Liability

14.1. The Company operates its branch network predominantly through premises taken on lease at strategic locations identified by the management. Majority of the lease arrangements are long term in nature and are non-cancellable from the point of view of the lessor. Other than such leasehold property, the Company has also undertaken lease arrangements for safety device equipments.

Particulars	As at 31st March 2024	As at 31st March 2023
Depreciation charge for Right-of-use assets		
Leasehold Property	14,291.21	13,395.64
Equipments	1.56	2.65
Interest expense on lease liabilities	9,904.20	8,924.09
Income from subleasing right-of-use assets	129.50	132.68
Total cash outflow for leases	20,183.67	18,722.79
Carrying amount of right-of-use assets		
Leasehold Property	83,008.99	79,934.43
Equipments	0.00	1.56
Lease Liability		
Leasehold Property	95,455.65	88,963.26
Equipments	-	1.75

14.2. The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	As at 31st March 2024	As at 31st March 2023
Short-term leases	29.16	34.66

14.3. Carrying value of right-of-use assets at the end of the reporting period:

Particulars	As at 31st March 2024	As at 31st March 2023
Balance as at April 1, 2023 / April 1, 2022	79,935.99	57,939.67
Additions	17,365.77	35,394.60
Depreciation charge for the year	(14,292.77)	(13,398.28)
Balance as at March 31, 2024 / March 31, 2023	83,008.99	79,935.99

14.4. Movement in lease liabilities:

Particulars	As at 31st March 2024	As at 31st March 2023
Balance as at April 1, 2023 / April 1, 2022	88,965.01	64,656.45
Additions	16,770.11	34,107.26
Interest on lease liabilities	9,904.20	8,924.09
Payment of lease liabilities	(20,183.67)	(18,722.79)
Balance as at March 31, 2024 / March 31, 2023	95,455.65	88,965.01

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

14.5. Maturity analysis of lease liabilities

Particulars	As at 31st March 2024	As at 31st March 2023
Less than one year	20,640.26	17,868.12
One to five years	76,358.46	67,401.65
More than five years	46,540.91	51,383.10
Total undiscounted lease liabilities	1,43,539.63	1,36,652.88

15 Other Non-Financial assets

Particulars	As at 31st March 2024	As at 31st March 2023
Prepaid expenses	1,409.09	906.24
Advance to Creditors	1,183.61	483.91
Advance for Property	-	19,000.17
Pre-Deposit Fee	788.02	753.95
GST / Service Tax Receivables	541.52	544.39
Gratuity Fund	3,045.77	2,551.55
Other Receivable	201.52	75.69
Total	**7,169.52**	**24,315.90**

(a) Advance for Property as on March 31, 2024 consists of - INR Nil (P.Y. INR 1,487.26) and INR Nil (P.Y.INR 17,512.91) advanced by the Company to its Directors and their relatives, M/s. MPG Hotels & Infrastructure Ventures Private Limited (a Company in which the Directors are interested) and M/s. Muthoot Estate Investments (a firm in which the Directors of the Company are partners) respectively for purchase of immovable property by the Company from them.

16 Derivative Financial Liability

The Company undertakes derivative transactions for hedging exposures relating to foreign exchange borrowings. The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts. The nominal amounts indicate the value of transactions outstanding as at the year end and are not indicative of either the market risks or credit risk.

Particulars	As at 31st March 2024		As at 31st March 2023	
	Notional amounts	Fair value liabilities	Notional amounts	Fair value liabilities
Currency Derivatives:				
Forward Contracts	55,288.11	231.18	-	-
Total	**55,288.11**	**231.18**	-	-
Derivatives held for risk management purposes included above are as follows:				
(i) Fair value hedging	-	-	-	-
(ii) Cash flow hedging				
Currency derivatives	55,288.11	231.18	-	-
(iii) Net investment hedging	-	-	-	-
(iv) Undesignated derivatives	-	-	-	-
Total [(i) to (iv)]	**55,288.11**	**231.18**	-	-

16.1 The Company is exposed to certain risks in relation to its ongoing business. The primary risk managed using derivative instruments is foreign currency risk.
16.2 The Company has designated forward contracts as a hedging instrument to mitigate foreign exchange risk from its exposure on foreign currency borrowings.
16.3 There are no derivatives not designated as hedging instruments. The Company has not opted for hedge accounting for derivatives.

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

17 Payables

Particulars	As at 31st March 2024	As at 31st March 2023
Trade payables:		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprise	-	-
Other payables:		
Total outstanding dues of micro enterprises and small enterprises	551.58	813.40
Total outstanding dues of creditors other than micro enterprises and small enterprise*	3,464.47	3,201.57
Total	**4,016.05**	**4,014.97**

(i)Disclosure under Micro, Small, and Medium Enterprises Development Act, 2006 :

Based on the intimation received by the Company, some of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, the disclosures relating to amounts unpaid as at the year ended together with interest paid /payable are furnished below:

Particulars	As at 31st March 2024	As at 31st March 2023
Principal amount remaining unpaid during the year	551.58	813.40
Interest due thereon	-	-
Interest remaining accrued and unpaid at the end of the year	-	-
Total interest accrued and remained unpaid at year end	-	-

(ii) Ageing Schedule of Payables (As on 31/03/2024)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	505.51	32.77	4.71	1.61	544.59
(ii) Others	3,058.47	269.62	58.25	71.20	3,457.53
(iii) Disputed Dues- MSME	-	-	-	6.99	6.99
(iv) Disputed Dues- Others	0.43	-	0.89	5.62	6.94
Total	**3,564.40**	**302.39**	**63.84**	**85.41**	**4,016.05**

Ageing Schedule of Payables (As on 31/03/2023)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	790.85	9.05	4.26	2.24	806.41
(ii) Others	2,974.24	153.40	47.26	3.03	3,177.93
(iii) Disputed Dues- MSME	-	-	6.99	-	6.99
(iv) Disputed Dues- Others	3.35	-	-	20.29	23.64
Total	**3,768.44**	**162.45**	**58.51**	**25.57**	**4,014.97**

18 Debt Securities (At Amortised Cost)

Particulars	As at 31st March 2024	As at 31st March 2023
Secured Non-Convertible Debentures	-	88.00
Secured Non-Convertible Debentures - Listed*	2,87,032.66	2,54,717.90
Secured Non-Convertible Debentures - Covered Bonds / MLD - Listed*	-	49,837.07
Total	**2,87,032.66**	**3,04,642.97**
Debt securities in India	2,87,032.66	3,04,642.97
Debt securities outside India	-	-
Total	**2,87,032.66**	**3,04,642.97**

Includes issue expenses amortised as per EIR.

RANGAMANI & CO CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD PUNNEN ROAD TRIVANDRUM

Maturity Profile of Non-Convertible Debentures

Particulars	Amount
FY 2024-25	58,034.56
FY 2025-26	82,093.69
FY 2026-27	76,050.63
FY 2027-28	8,320.74
FY 2028-29	42,776.54
FY 2029-30	9,728.70
FY 2030-31	7,697.95
FY 2031-32	3,351.89
Adjustments on account of effective rate of interest	(1,022.04)
TOTAL	**2,87,032.66**

Particulars	As at 31st March 2024	As at 31st March 2023	Security
Debentures issued by way of Private Placement			
Allotment on 01/10/2018	-	88.00	Subservient charge on all current assets of the Company, both present and future
Listed Debentures issued by way of Private Placement			
Allotment on 09/08/2023	10,000.00	-	First Pari-passu charge on the present and future standard loan receivables and current assets along with other lenders and NCD investors with a minimum asset coverage ratio of 1.1 X time of the value of the outstanding amounts of the Debentures and it shall be maintained at all times until the redemption of the Debentures.
Allotment on 21/12/2023	20,000.00	-	First Pari-passu charge on the present and future standard loan receivables and current assets along with other lenders and NCD investors with a minimum asset coverage ratio of 1.25 X time of the value of the outstanding amounts of the Debentures and it shall be maintained at all times until the redemption of the Debentures.
Listed Debentures issued by way of Public Issue			
Allotment on 02/02/2022	40,000.00	40,000.00	Subservient charge with existing secured creditors on all loan receivables (both present and future) of the company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders
Allotment on 29/10/2021	12,363.07	24,956.79	Subservient charge with existing secured creditors on all loan receivables (both present and future) of the company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders
Allotment on 07/05/2021	7,758.40	17,586.43	Subservient charge with existing secured creditors on all loan receivables (both present and future) of the company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders
Allotment on 15/03/2021	8,501.12	16,965.09	Subservient charge with existing secured creditors on all loan receivables (both present and future) of the company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders.

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD PUNNEN ROAD TRIVANDRUM

Particulars	As at 31st March 2024	As at 31st March 2023	Security
Allotment on 29/01/2021	5,196.77	26,698.38	Subservient charge with existing secured creditors on all loan receivables (both present and future) of the company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders.
Allotment on 29/10/2020	11,629.19	25,128.91	Subservient charge with existing secured creditors, on certain loan receivables (both present and future) of the Company, to be held on pari passu basis among the present and / or future NCD holders.
Allotment on 17/07/2020	4,784.23	8,331.60	Subservient charge with existing secured creditors, on certain loan receivables (both present and future) of the Company and mortgage and charge over the immovable property admeasuring 54 cents situated at Survey No 764/6A, Arulvaimozhy Village, Thovala Thaluk, Kanyakumari District, Tamil Nadu, to be held on pari passu basis among the present and / or future NCD holders.
Allotment on 07/02/2020	9,083.08	17,374.50	Subservient charge with existing secured creditors, on certain loan receivables (both present and future) of the Company.
Allotment on 06/09/2022	39,884.19	39,884.19	Subservient charge with existing secured creditors on all loan receivables (both present and future) of the company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders.
Allotment on 02/02/2023	28,316.38	28,316.38	Subservient charge with existing secured creditors on all loan receivables (both present and future) of the company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders.
Allotment on 02/05/2023	17,209.77	-	Subservient charge with existing secured creditors on all loan receivables (both present and future) of the company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders.
Allotment on 20/09/2023	22,839.84	-	Subservient charge with existing secured creditors on all loan receivables (both present and future) of the company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders.
Allotment on 01/11/2023	20,488.66	-	Subservient charge with existing secured creditors on all loan receivables (both present and future) of the company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders.
Allotment on 31/01/2024	30,000.00	-	Subservient charge with existing secured creditors on all loan receivables (both present and future) of the company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders.

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

Listed Debentures privately placed under Targeted Long-Term Repo Operations (TLTRO)			
Allotment on 28/05/2020	-	10,000.00	First Pari-passu charge on the present and future standard loan receivables along with other lenders and NCD investors with a minimum asset coverage ratio of 1.10 times the value of the outstanding principal amounts of the Debentures.
Non Convertible Debentures issued in the form of Covered Bond / Market Linked Debentures			
Allotment on 15/12/2021	-	20,000.00	First Pari-passu charge on the present and future current assets of the Company along with other lenders and NCD investors with a minimum asset coverage ratio of 1.10 times of the value of the outstanding principal amounts of the Debentures
Allotment on 29-06-2021	-	30,000.00	First ranking exclusive and continuing charge to be created pursuant to the Deed of Hypothecation on book debts which shall be maintained at 1.20 times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon, Default Interest accrued thereon
TOTAL	**2,88,054.70**	**3,05,330.27**	
Adjustments on account of effective rate of interest	(1,022.04)	(687.30)	
TOTAL	**2,87,032.66**	**3,04,642.97**	

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RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

19 Borrowings (other than debt securities) - At Amortised Cost

Particulars	As at 31st March 2024	As at 31st March 2023
(a) Term loans		
(i) from banks	6,62,069.52	5,02,962.85
(ii) from other parties		
- financial institutions	15,721.79	437.50
(b) Loans repayable on demand		
(i) from banks (WCDL & CC)	8,52,805.79	7,46,415.46
Total	**15,30,597.10**	**12,49,815.81**
Borrowings in India	15,30,597.10	12,49,815.81
Borrowings outside India	-	-

a) Security details :

Secured Term loans from banks

The Loans are secured by way of hypothecation of Loan receivables, other current assets & specified fixed assets of the Company equivalent to security cover stipulated by respective banks. The loans aggregating to INR 5,97,957.43 (31st March 2023 : INR 4,74,755) are guaranteed by promoter directors (Mr. Thomas John Muthoot, Mr.Thomas George Muthoot, Mr. Thomas Muthoot) of the Company. Out of the same, loans aggregating to INR 2,84,520.48 (31st March 2023 : INR 1,86,800) are guaranteed by Ms. Preethi John Muthoot, Director of the Company also.

Secured Term loans from other parties

The Loans are secured by way of hypothecation of Loan Receivables of the Company equivalent to security cover stipulated by respective lender. The loans aggregating to INR Nil (31st March 2023 : INR 437.50) are guaranteed by the promoter director, Mr. Thomas John Muthoot.

Secured Loans repayable on demand

The Cash credit limit from banks are secured by way of hypothecation of Loan Receivables of the Company equivalent to security cover stipulated by respective banks. The Cash credit aggregating to INR 7,93,250.72 (31st March 2023 : INR 7,47,174) are guaranteed by promoter directors (Mr. Thomas John Muthoot, Mr.Thomas George Muthoot and Mr. Thomas Muthoot) of the Company. Out of the same, loans aggregating to INR 4,45,851.13 (31st March 2023 : INR 4,16,457) are guaranteed by Ms. Preethi John Muthoot, Director of the Company also.

b) Terms of repayment

Secured loans from Banks

Name of Party	As at 31st March 2024	As at 31st March 2023	Terms of Repayment
Term Loan from Banks			
State Bank of India Car Loan	-	0.50	Repayable in 16 monthly instalments on diminishing value method
Axis Bank	-	15,714.29	Repayable in 4 quarterly instalments of INR 3,928 each from May 2023 (INR 10,000 availed additionally during the year ended March, 2023)
Axis Bank	9,714.29	17,000.00	Repayable in 4 quarterly instalments of INR 2,429 Lakhs each from April 2024
Axis Bank	15,000.00	-	Repayable in 7 quarterly instalments of INR 2,142.85 Lakhs each from April 2024
Axis Bank	15,000.00	-	Repayable in 7 quarterly instalments of INR 2,142.85 Lakhs each from April 2024
Axis Bank	3,500.00	-	Repayable in 7 quarterly instalments of INR 500 Lakhs each from June 2024
Axis Bank	2,800.00	-	Repayable in 7 quarterly instalments of INR 400 Lakhs each from July 2024

RANGAMANI & CO. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

Name of Party	As at 31st March 2024	As at 31st March 2023	Terms of Repayment
Axis Bank	3,900.00	-	Repayable in 7 quarterly instalments of INR 557 lakhs each from August 2024
Bandhan Bank	4,770.97	7,498.24	Repayable in 7 quarterly instalments of INR 681.81 Lakhs each from April 2024
Bandhan Bank	12,727.27	17,500.00	Repayable in 8 quarterly instalments of INR 1,590.90 Lakhs each from June 2024
Bandhan Bank	15,000.00	-	Repayable in 11 quarterly instalments of INR 1,363.63 lakhs each from July 2024
Bank of Baroda	-	6,000.00	Repayable in 2 quarterly instalments of INR 3,000 each from April 2023
Bank of India	28,418.40	-	Repayable in 18 quarterly instalments of INR 1,579 Lakhs each from June 2024
Bank of India	9,471.42	-	Repayable in 18 quarterly instalments of INR 526.31 Lakhs each from June 2024
Bank of India	4,997.76	-	Repayable in 19 quarterly instalments of INR 263.20 Lakhs each from April 2024
Bank of India	4,997.88	-	Repayable in 19 quarterly instalments of INR 263.20 Lakhs each from April 2024
Bank of Maharashtra	-	4,536.31	Repayable in 3 quarterly instalments of INR 1,500 each from June 2023
Bank of Maharashtra	17,640.88	25,186.85	Repayable in 7 quarterly instalments of INR 2,500 Lakhs each from June 2024
Bank of Maharashtra	45,810.16	-	Repayable in 30 monthly instalments of INR 1,515.15 lakhs each from April 2024
Bank of Maharashtra	25,026.03	-	Repayable in 57 monthly instalments of INR 438.60 lakhs each from April 2024
Canara Bank	-	8,636.00	Repayable in 2 quarterly instalments of INR 4,318 each from June 2023
Canara Bank	5,998.39	18,000.00	Repayable in 2 quarterly instalments of INR 3,000 Lakhs each from June 2024
Canara Bank	9,090.38	16,363.64	Repayable in 5 quarterly instalments of INR 1,818.18 Lakhs each from June 2024
Canara Bank	22,500.00	30,000.00	Repayable in 12 quarterly instalments of INR 1,875 Lakhs each from June 2024
Canara Bank	20,314.00	-	Repayable in 13 quarterly instalments of INR 1,562 Lakhs each from June 2024
Canara Bank	32,810.93	-	Repayable in 15 quarterly instalments of INR 2,188 Lakhs each from June 2024
Central Bank of India	-	1,837.03	Repayable in 2 quarterly instalments of INR 937.5 each from May 2023
Central Bank of India	-	1,844.01	Repayable in 2 quarterly instalments of INR 937.50 each from May 2023
Central Bank of India	1,945.55	5,974.51	Repayable in 2 quarterly instalments of INR 1,000 lakhs each from June 2024
Central Bank of India	3,867.75	11,962.16	Repayable in 2 quarterly instalments of INR 2,000 lakhs each from June 2024

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

Name of Party	As at 31st March 2024	As at 31st March 2023	Terms of Repayment
Central Bank of India	8,927.46	20,981.01	Repayable in 3 quarterly instalments of INR 3,000 each from June 2024
Central Bank of India	12,148.19	-	Repayable in 13 quarterly instalments of INR 937.50 lakhs each from June 2024
DBS Bank	-	2,857.14	Repayable in 12 monthly instalments of INR 238 each from April 2023
DBS Bank	-	2,857.14	Repayable in 12 monthly instalments of INR 238 each from April 2023
Federal Bank	5,998.92	10,000.00	Repayable in 6 quarterly instalments of INR 1,000 lakhs each from June 2024
Federal Bank	9,999.79	-	Repayable in 14 quarterly instalments of INR 714.28 lakhs each from June 2024
IDBI Bank	10,000.00	-	Repayable in 25 quarterly instalments of INR 400 lakhs each from March 2025
Indian Bank	-	6,043.06	Repayable in 2 quarterly instalments of INR 3,000 each from June 2023
Indian Bank	2,523.35	12,591.27	Repayable in 3 monthly instalments of INR 833.33 lakhs from April 2024
Indian Bank	10,768.11	16,117.74	Repayable in 8 quarterly instalments of INR 1,333.33 lakhs each from June 2024
Indian Bank	5,504.29	9,161.20	Repayable in 6 quarterly instalments of INR 909.09 lakhs each from June 2024
Indian Bank	14,665.59	20,148.77	Repayable in 8 quarterly instalments of INR 1,818.18 lakhs each from June 2024
Punjab National Bank	17,808.33	36,002.31	Repayable in 3 quarterly instalments of INR 4,546 Lakhs each from June 2024 and 1 quarterly instalments of INR 4,174 Lakhs in March 2025
Punjab National Bank	21,815.90	-	Repayable in 8 quarterly instalments of INR 2,727.27 Lakhs each from June 2024
Punjab National Bank	39,989.80	-	Repayable in 11 quarterly instalments of INR 3,636.36 Lakhs each from June 2024
Punjab & Sind Bank	-	2,999.96	Repayable in 3 quarterly instalments of INR 1,000 each from June 2023 (one instalment was prepaid during the year ended March, 2023)
Punjab & Sind Bank	2,843.41	8,843.42	Repayable in 2 quarterly instalments of INR 1,500 lakhs each from May 2024
Punjab & Sind Bank	6,399.96	12,799.92	Repayable in 4 quarterly instalments of INR 1,600 lakhs each from June 2024
Punjab & Sind Bank	4,999.98	9,000.00	Repayable in 5 quarterly instalments of INR 1,000 lakhs each from June 2024
State Bank of India	-	10,499.44	Repayable in 3 quarterly instalments of INR 3,500 each from May 2023

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

Name of Party	As at 31st March 2024	As at 31st March 2023	Terms of Repayment
State Bank of India	9,750.00	22,749.09	Repayable in 3 quarterly instalments of INR 3,250 Lakhs each from May 2024
State Bank of India	44,443.29	44,549.97	Repayable in 16 quarterly instalments of INR 2,778 Lakhs each from April 2024
State Bank of India	59,999.46	-	Repayable in 18 quarterly instalments of INR 3,334 Lakhs each from July 2024
UCO Bank	611.16	3,112.07	Repayable in 1 quarterly instalments of INR 625 Lakhs each from June 2024
UCO Bank	3,083.68	6,246.70	Repayable in 4 quarterly instalments of INR 781.25 Lakhs each from May 2024
UCO Bank	-	3,740.59	Repayable in 3 quarterly instalments of INR 1,250 each from April 2023
UCO Bank	-	4,982.31	Repayable in 4 quarterly instalments of INR 1,250 each from May 2023
UCO Bank	5,616.31	9,374.70	Repayable in 6 quarterly instalments of INR 937.50 Lakhs each from May 2024
UCO Bank	9,993.76	14,999.93	Repayable in 8 quarterly instalments of INR 1,250 Lakhs each from June 2024
UCO Bank	12,491.98	17,500.00	Repayable in 10 quarterly instalments of INR 1,250 Lakhs each from May 2024
UCO Bank	26,241.81	-	Repayable in 14 quarterly instalments of INR 1,875 Lakhs each from May 2024
Ujjivan Bank	357.14	1,785.71	Repayable in 1 quarterly instalments of INR 357 each from April 2024
Ujjivan Bank	357.14	1,785.71	Repayable in 1 quarterly instalments of INR 357 each from May 2024
Yes Bank	2,840.84	5,684.84	Repayable in 4 quarterly instalments of INR 711 Llakhs each from June 2024
Adjustments on account of effective rate of interest	(3,412.18)	(2,504.69)	
Total	**6,62,069.52**	**5,02,962.85**	
Term Loan from Others			
Bajaj Finance	-	437.50	Repayable in 3 monthly instalments of INR 146 each from April 2023
Bajaj Finance	6,750.00	-	Repayable in 27 monthly instalments of INR 250 lakhs each from April 2024
NABKISAN Finance	8,999.93	-	Repayable in 11 quarterly instalments of INR 818.18 lakhs each from July 2024
Adjustments on account of effective rate of interest	(28.14)	-	
Total	**15,721.79**	**437.50**	

20 Subordinated Liabilities (At Amortised Cost)

Particulars	As at 31st March 2024	As at 31st March 2023
Subordinated Debt*	1,08,212.91	1,41,424.46
Subordinated Debt - Listed*	38,349.01	38,320.83
Perpetual Debt Instruments*	67,555.79	48,113.39
Total	**2,14,117.72**	**2,27,858.69**
Borrowings in India	2,14,117.72	2,27,858.69
Borrowings outside India	-	-

Includes issue expenses amortised as per EIR.

RANGAMANI & CO. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

20.1 Subordinated Debt instruments are unsecured, subordinated to the claims of all other creditors with a minimum initial maturity of 5 years.

20.2 Maturity Profile of Subordinated Debt:

Particulars	Amount
FY 2024-25	25,991.84
FY 2025-26	15,876.99
FY 2026-27	24,804.50
FY 2027-28	21,254.71
FY 2028-29	45,176.03
FY 2029-30	15,000.00
Adjustments on account of effective rate of interest	(1,542.15)
TOTAL	**1,46,561.92**

20.3 Perpetual Debt Instruments are perpetual, unsecured instruments, which have been issued as per RBI guidelines. Unamortised Borrowing Cost on Perpetual Debt Instruments is INR 2,344.21 (31st March 2023: INR 1,786.61).

20.4 The percentage of total PDI to the Tier I Capital of the Company as at 31st March 2024 is 18.60% (31st March 2023 - 15.72%). PDI in excess of 15% of previous year Tier I Capital is considered as Tier II Capital for computation of regulatory capital.

21 Other Financial Liabilities

Particulars	As at 31st March 2024	As at 31st March 2023
Interest Payable	44,146.38	48,413.01
Expenses Payable	5,040.28	3,588.56
Security deposits received	761.45	933.92
Unpaid matured debt and interest accrued thereon	3,764.93	4,828.69
Cumulative Compulsorily Convertible Preference Shares (CCCPS) (refer note a & b below)	16,202.00	15,732.00
Others	821.24	1,113.98
Total	**70,736.29**	**74,610.16**

Note a

(i) The Company has issued 15,00,00,000, 14% CCCPS of INR 10 each at a price of INR 10 each to BPEA Credit – India Fund III – Scheme C & BPEA Credit – India Fund III – Scheme F (Collectively referred as investors) amounting to INR 15,000. The equity shares issued upon conversion of the CCPS will in all respects rank pari passu with equity shares at the time of conversion.

(ii) CCCPS shall be convertible to equity shares at the option of the investor at any time after the expiry of a period of 43 (forty three) months from the Closing Date (refer paragraph iii for exception) or upon the expiry of a period of 10 (ten) years from the Closing Date and shall be converted at lower of the fair values of the Equity Shares as determined by the:
(a) valuation report dated December 9, 2020 issued by Ernst & Young Merchant Banking Services LLP in relation to the issuance of the CCCPS; or
(b) valuation report to be issued by a registered valuer (in a form acceptable to the holders of the CCCPS) following the issuance of the Conversion Notice by the holders of the CCCPS.

(iii) The holders of the CCCPS may issue the Conversion Notice at any time after the Closing Date, upon the occurrence of any of the following events:
(a) non-payment of dividend by the Company in manner stipulated as per agreement on the relevant dividend payment dates,
(b) credit rating of the Company falling below A- (as certified by any credit rating agency); and/or
(c) any failure by the Company to maintain a Net Interest Margin of 7.0 (Seven percent) % or higher;
(d) any failure by the Company to maintain an overall Capital to Risk Assets Ratio of 16.0 (Sixteen percent) % or higher;
(e) any failure by the Company to maintain the aggregate Tier 2 Capital at 50% (Fifty percent) or lower than the aggregate Tier 1 Capital; or
(f) any failure by the Company to maintain the Gross Non-Performing Assets at 5.5% (Five decimal five percent) or lower and Net Non-Performing Assets at 4.0% (Four percent) or lower, to be tested on semi-annual basis for Company as on (a) 31 March of each financial year, and (b) 30 September of each financial year

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MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

Note b - Change in fair value

Particulars	As at 31st March 2024	As at 31st March 2023
Cumulative change in fair value of the preference shares attributable to changes in credit risk	1,202.00	732.00
Change during the year in the fair value of the preference shares attributable to changes in credit risk	470.00	519.00

22 Provisions

Particulars	As at 31st March 2024	As at 31st March 2023
Provision for employee benefits		
- Gratuity	3,169.44	2,745.95
- Provision for compensated absences	428.14	338.74
- Employee stock option outstanding	1,456.73	355.14
Total	**5,054.30**	**3,439.83**

23 Other Non-Financial Liabilities

Particulars	As at 31st March 2024	As at 31st March 2023
Statutory dues payable	3,368.26	2,696.64
Total	**3,368.26**	**2,696.64**

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RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

MUTHOOT FINCORP LIMITED

Notes to standalone financial statements for the year ended March 31, 2024

(Rupees in lakhs, except for share data and unless otherwise stated)

24 Equity share capital

(a) Authorised share capital:

Equity Shares

Particulars	No. of Shares	Amount
At 31st March 2022	22,50,00,000	22,500.00
Add: Increased during the year	-	-
At 31st March 2023	22,50,00,000	22,500.00
Add: Increased during the year	-	-
At 31st March 2024	22,50,00,000	22,500.00

Preference Shares

Particulars	No. of Shares	Amount
At 31st March 2022	20,00,00,000	20,000.00
Add: Increased during the year	-	-
At 31st March 2023	20,00,00,000	20,000.00
Add: Increased during the year	-	-
At 31st March 2024	20,00,00,000	20,000.00

(b) Issued capital

Particulars	No. of Shares	Amount
At 31st March 2022	19,38,00,800	19,380.08
Add: Increased during the year	-	-
At 31st March 2023	19,38,00,800	19,380.08
Add: Increased during the year	-	-
At 31st March 2024	19,38,00,800	19,380.08

(c) Subscribed and Fully Paid Up Capital

Particulars	No. of Shares	Amount
At 31st March 2022	19,37,05,560	19,370.56
Add: Increased during the year	-	-
At 31st March 2023	19,37,05,560	19,370.56
Add: Increased during the year	-	-
At 31st March 2024	19,37,05,560	19,370.56

(d) Terms/ rights attached to equity shares :

The Company has only one class of equity shares having a face value of INR 10. Each holder of equity share is entitled to one vote per share. All shares rank pari passu with regard to dividend and repayment of capital. In the event of liquidation of Company, the holder of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts.

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

(e) Shareholder's having more than 5% equity shareholding in the Company

Particulars	As at 31st March 2024	As at 31st March 2023
	No. of shares and % of holding	
Mr. Thomas John Muthoot	5,14,56,049 - 26.56%	5,14,56,049 - 26.56%
Mr. Thomas George Muthoot	5,14,56,021 - 26.56%	5,14,56,021 - 26.56%
Mr. Thomas Muthoot	5,14,56,053 - 26.56%	5,14,56,053 - 26.56%
Ms. Preethi John Muthoot	1,29,13,704 - 6.67%	1,29,13,704 - 6.67%
Ms. Nina George	1,29,13,704 - 6.67%	1,29,13,704 - 6.67%
Ms. Remy Thomas	1,29,13,704 - 6.67%	1,29,13,704 - 6.67%

(f) Shares held by the promoters at the end of the year

Particulars	As at 31st March 2024	As at 31st March 2023
	No. of shares and % of holding	
Mr. Thomas John Muthoot	5,14,56,049 - 26.56%	5,14,56,049 - 26.56%
Mr. Thomas George Muthoot	5,14,56,021 - 26.56%	5,14,56,021 - 26.56%
Mr. Thomas Muthoot	5,14,56,053 - 26.56%	5,14,56,053 - 26.56%

25 Other Equity

Particulars	As at 31st March 2024	As at 31st March 2023
Securities Premium	38,129.85	38,129.85
Statutory Reserve (pursuant to Section 45-IC of the RBI Act, 1934)	76,356.10	65,099.92
Retained Earnings	1,89,875.70	1,65,732.44
Other Comprehensive income	1,02,389.29	1,00,970.68
Total	**4,06,750.94**	**3,69,932.89**

25.1 Nature and purpose of reserve

Securities Premium

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

Statutory Reserve

Statutory Reserve represents the Reserve Fund created under Section 45-IC of the Reserve Bank of India Act, 1934. Accordingly, INR 11,256.18 (March 31, 2023: INR 9,196.22) representing 20% of profit for the year has been transferred to the reserve.

Retained Earnings

This Reserve represents the cumulative profits of the Company. This is a free reserve which can be utilised for any purpose as may be required.

Other Comprehensive Income

Other comprehensive income consists of re-measurement of net defined benefit liability and fair value changes on equity instruments measured through other comprehensive income.

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

MUTHOOT FINCORP LIMITED

Notes to standalone financial statements for the year ended March 31, 2024

(Rupees in lakhs, except for share data and unless otherwise stated)

26 Interest Income (On Financial Assets measured at Amortised Cost)

Particulars	For the Year Ended 31st March 2024	For the Year Ended 31st March 2023
Interest on Loans	3,69,368.70	3,30,483.09
Interest Income from Investments	-	98.88
Interest on Deposit with Banks	2,135.76	1,541.07
Other Interest Income	-	44.49
Total	**3,71,504.46**	**3,32,167.53**

27 Others

Particulars	For the Year Ended 31st March 2024	For the Year Ended 31st March 2023
Income from Money transfer	476.73	657.10
Income from Forex Operations	994.72	330.17
Income from Power Generation	886.41	879.84
Income from Investment	1,081.77	630.37
Other Income	26.01	56.58
Total	**3,465.64**	**2,554.06**

28 Finance Costs

Particulars	For the Year Ended 31st March 2024	For the Year Ended 31st March 2023
Interest on Borrowings	1,16,634.52	85,602.82
Interest on Debt Securities	27,198.79	31,718.17
Interest on Subordinate Liabilities	18,062.78	22,466.18
Interest on Lease Liabilities	9,904.20	8,924.09
Dividend on CCCPS	2,100.00	2,100.00
Other Charges	6,602.09	6,321.29
Total	**1,80,502.38**	**1,57,132.55**

29 Impairment on Financial Instruments

Particulars	For the Year Ended 31st March 2024	For the Year Ended 31st March 2023
Provision for impairment on loan assets	(6,725.24)	5,661.71
Loans written off	9,480.84	1,055.32
Total	**2,755.59**	**6,717.02**

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RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

30 Net (Gain) / Loss on fair value changes

Particulars	For the Year Ended 31st March 2024	For the Year Ended 31st March 2023
(A) Net (gain)/ loss on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	(148.75)	(229.07)
(ii) On fair valuation of cumulative compulsorily convertible preference shares	470.00	519.00
Total Net gain/(loss) on fair value changes	**321.25**	**289.93**
Fair Value changes:		
- Realised	(184.33)	(184.33)
- Unrealised	505.58	474.26
Total Net gain/(loss) on fair value changes	**321.25**	**289.93**

(a) Fair value changes in this schedule are other than those arising on account of accrued interest income/expense.

31 Employee benefits expenses

Particulars	For the Year Ended 31st March 2024	For the Year Ended 31st March 2023
Salaries and Wages	66,948.87	51,772.54
Contributions to provident and other funds	3,607.04	2,939.59
Share based payments & stock appreciation rights	1,385.52	586.09
Incentives	4,658.93	2,193.44
Bonus & Exgratia	1,570.88	1,412.78
Staff Welfare Expenses	793.68	1,050.30
Total	**78,964.92**	**59,944.74**

32 Depreciation expense

Particulars	For the Year Ended 31st March 2024	For the Year Ended 31st March 2023
Depreciation of Tangible Assets	5,326.27	4,438.41
Amortization of Intangible Assets	739.21	661.71
Depreciation of Right of Use Assets	14,292.77	13,398.28
Total	**20,358.25**	**18,498.40**

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RANGAMANI & CO. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

33 Other Expenses

Particulars	For the Year Ended 31st March 2024	For the Year Ended 31st March 2023
Rent, taxes and energy costs	4,995.64	5,622.11
Repairs and maintenance	2,988.26	2,623.98
Advertisement and publicity	4,179.70	8,744.64
Communication costs	7,436.32	8,257.99
Printing and stationery	1,340.91	1,169.48
Legal & professional charges	7,638.87	4,566.36
Insurance	1,646.96	1,446.87
Auditor's fees and expenses	42.79	37.06
Director's fees, allowances and expenses	844.21	668.99
Security charges	4,411.19	4,859.32
Travelling and conveyance	3,240.82	2,633.25
Donations & CSR expenses	571.09	454.08
Write off - other receivables	-	2,345.48
Other expenditure	1,057.58	870.97
Total	**39,994.32**	**44,300.56**

(a) Auditors Remuneration

Particulars	For the Year Ended 31st March 2024	For the Year Ended 31st March 2023
As auditor		
Statutory Audit fees	31.00	30.00
Tax Audit fees	-	-
For other services		
Certification and other matters	6.00	4.00
Out of pocket expenditure	2.30	-
Total	**39.30**	**34.00**

Above figures are exclusive of GST

(b) CSR Expenditure

As required under Section 135 of the Companies Act, 2013, the Company was required to spend INR 1,060.59 in the reporting year in pursuance of its Corporate Social Responsibility Policy, being two per cent of the average net profits of the company made during the three immediately preceding financial years. The Company has during the year, spent a total of INR 570.39 towards CSR expenditure (including INR 166.54 out of earlier year unspent transferred to designated bank account). The unspent portion of INR 656.74 pertaining to the current year has been transferred to the designated bank account for unspent corporate social responsibility by the Company.

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RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

Particulars	As on 31-03-2024	As on 31-03-2023
(a) Amount required to be spent by the company during the year	1,060.59	845.49
(b)Amount of expenditure incurred	403.85	452.26
(c) Shortfall at the end of the year	656.74	393.23
(d) Total of previous year shortfall (net of amount spent out of earlier year shortfall	628.42	401.73
(e) Reason for shortfall	To better serve the students, the project's scope was expanded from solely offering a sports facility for football, volleyball, cricket, and other sports to establishing a comprehensive sports academy. This academy will not only provide top-tier sports training but also include educational facilities where students can attend regular academic classes, all meeting international standards. This change was prompted by the unavailability of schools we initially planned to partner with. Groundwork at the site is underway, and we are currently updating the architectural plans to accommodate these enhanced specifications.	With regard to the Sports Infrastructure project at Palakkad, based on advise from Architects, a wider road alternative had to be considered, evaluation and negotiations of which delayed the start of the construction work.
(f) Nature of CSR activities	CSR activities were undertaken in the fields of Health, Education & Livelihood.	CSR activities were undertaken in the fields of Health, Education & Livelihood.
(g) Details of related party transactions	N/A	N/A
(h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	N/A	N/A

(c) In view of regulatory advise and based on approval of the Board of Directors, the Company had during the year written off non-financial assets amounting to INR Nil (INR 2,345.48 during the year ended March 31, 2023) against Employees Provident Fund recovered from the Company in respect of dues towards provident fund of erstwhile staff.

34 Earnings Per Share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of the company (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Particulars	For the Year Ended 31st March 2024	For the Year Ended 31st March 2023
Net profit attributable to ordinary equity holders	56,280.89	45,981.08
Weighted average number of ordinary shares for basic earnings per share	19,37,05,560	19,37,05,560
Effect of dilution:	74,92,507	74,92,507
Weighted average number of ordinary shares adjusted for effect of dilution	20,11,98,067	20,11,98,067
Earnings per share		
Basic Earnings per share	29.05	23.74
Diluted Earnings per share	27.97	22.85

(Rupees in lakhs, except for share data and unless otherwise stated)

35 Income Tax

The components of income tax expense for the year ended 31st March, 2024 and year ended 31st March, 2023 are:

Particulars	For the Year Ended 31st March 2024	For the Year Ended 31st March 2023
Current Income tax expense	20,062.43	17,609.54
Deferred tax relating to origination and reversal of temporary differences	(185.13)	(1,347.46)
Tax relating to earlier years	2,522.41	-
Total tax expense reported in statement of profit and loss	**22,399.72**	**16,262.08**
OCI Section		
Deferred tax related to items recognised in OCI during the period:		
Net gain / (loss) on equity instruments measured through other comprehensive income	528.19	(91.67)
Remeasurement of the defined benefit liabilities	(100.92)	18.48
Income tax charged to OCI	**427.27**	**(73.19)**

Reconciliation of Income tax expense:

The income tax charge shown in the statement of profit and loss differ from the income tax charge that would apply if all the profits had been charged at India corporate tax rate. A reconciliation between the income tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended 31st March 2024 and year ended 31st March 2023 is, as follows:

Particulars	For the Year Ended 31st March 2024	For the Year Ended 31st March 2023
Accounting profit before tax	78,680.62	62,243.16
At India's statutory income tax rate of 25.168%* (2023: 25.168%*)	**19,802.34**	**15,665.36**
Adjustments in respect of current income tax of previous year		
(i) Expenses not eligible for deduction under the Income Tax Act	891.11	2,231.29
(ii) Income chargeable to tax under separate rate of tax (capital gain)	(25.40)	(287.11)
(iii) Deductions eligible under the Income Tax Act	(605.61)	-
Current Income Tax expense reported in the statement of profit or loss	**20,062.43**	**17,609.54**
Effective Income Tax Rate	**25.50%**	**28.29%**

*The Company has exercised the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

Tax relating to earlier years:

Based on the order passed by the Income Tax Interim Board for Settlement, the Company had voluntarily ascertained and remitted income tax aggregating to 2,522.41 during the current year, the tax of which pertained to assessment years 2010-11 to 2017-18, which has been charged to the statement of profit and loss as tax relating to earlier years. The said amount of tax pertains to notices under Section 148 for Assessment Year 2010-11 and Section 153A for the Assessment Years 2011-2012 to 2016-2017 and for Assessment Year 2017-18, assessment of which was deemed to be pending by virtue of explanation (iv) to Section 245A(b) as on date of filing the settlement application.

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

Deferred Tax

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

	Deferred tax assets	Deferred tax liabilities	Statement of profit and loss	OCI
	As at 31st March 2024	As at 31st March 2024	2023-24	2023-24
Opening Balance		22,247.61		
Fixed asset: Timing difference on account of Depreciation and Amortisation	76.51	-	(76.51)	
Bonus Disallowed due to non-payment	40.10	-	(40.10)	-
Provision for gratuity	-	13.21	13.21	-
Provision for Leave Encashment	22.50	-	(22.50)	-
Impairment allowances on financial assets	-	1,692.61	1,692.61	-
Fair Valuation of Financial Assets	913.45	528.19	(913.45)	528.19
Financial liabilities measured at amortised cost	-	452.70	452.70	-
Financial assets measured at amortised cost	893.87	-	(893.87)	-
Financial liabilities measured at fair value	498.13	-	(498.13)	-
Actuarial gain/loss on Employee benefits	-	-	100.92	(100.92)
Total	**2,444.56**	**24,934.32**	**(185.13)**	**427.27**

	Deferred tax assets	Deferred tax liabilities	Statement of profit and loss	OCI
	As at 31st March 2023	As at 31st March 2023	2022-23	2022-23
Opening Balance		23,668.26		
Fixed asset: Timing difference on account of Depreciation and Amortisation	48.35	-	(48.35)	-
Bonus Disallowed due to non-payment	28.30	-	(28.30)	-
Provision for gratuity	20.36	-	(20.36)	-
Provision for Leave Encashment	22.82	-	(22.82)	-
Impairment allowances on financial assets	497.54	-	(497.54)	-
Fair Valuation of Financial Assets	-	9.51	101.18	(91.67)
Financial liabilities measured at amortised cost	-	361.64	361.64	-
Financial assets measured at amortised cost	263.34	-	(263.34)	-
Financial liabilities measured at fair value	911.09	-	(911.09)	-
Actuarial gain/loss on Employee benefits	-	-	(18.48)	18.48
Total	**1,791.80**	**24,039.40**	**(1,347.46)**	**(73.19)**

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RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD PUNNEN ROAD TRIVANDRUM

(Rupees in lakhs, except for share data and unless otherwise stated)

36 Retirement Benefit Plan

Defined Contribution Plan

The Company makes contributions to Provident Fund & Employee State Insurance which are defined contribution plans for qualifying employees. The amounts recognized for the aforesaid contributions in the statement of profit and loss are shown below:

Particulars	As at 31st March 2024	As at 31st March 2023
Contributions to Provident Fund	2,774.08	2,250.15
Contributions to Employee State Insurance	812.78	666.86
Defined Contribution Plan	**3,586.86**	**2,917.00**

Defined Benefit Plan

The Company has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on leaving the service of the company at 15 days salary (last drawn salary) for each completed year of service.

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.

Particulars	As at 31st March 2024	As at 31st March 2023
Present value of funded obligations	3,169.44	2,745.95
Fair value of planned assets	3,045.77	2,551.55
Net Defined Benefit obligation/(asset)	**123.66**	**194.40**

Post employment defined benefit plan

Net benefit expense recognised in statement of profit and loss	As at 31st March 2024	As at 31st March 2023
Current service cost	530.25	423.13
Net Interest on net defined benefit liability/ (asset)	14.50	8.08
Net benefit expense	**544.76**	**431.21**

Balance Sheet

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

Particulars	As at 31st March 2024	As at 31st March 2023
Defined benefit obligation at the beginning of the year	2,745.95	2,711.72
Current service cost	530.25	423.13
Interest cost on benefit obligations	204.85	193.07
Actuarial (Gain) / Loss on Total Liabilities	367.40	(101.50)
Benefits paid	(679.02)	(480.48)
Benefit obligation at the end of the year	**3,169.44**	**2,745.95**

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

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

Particulars	As at 31st March 2024	As at 31st March 2023
Fair value of plan assets at the beginning of the year	2,551.55	2,598.21
Actual Return on Plan Assets	156.77	156.91
Employer contributions	1,016.47	276.90
Benefits paid	(679.02)	(480.48)
Fair value of plan assets as at the end of the year	**3,045.77**	**2,551.55**

Remeasurement gain/ (loss) in other comprehensive income (OCI)	As at 31st March 2024	As at 31st March 2023
Actuarial gain/(loss) on obligation	-	-
Experience adjustments	(292.98)	20.62
Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/(asset)	(33.58)	(28.08)
Actuarial changes arising from changes in financial assumptions	(74.42)	80.88
Actuarial gain /(loss) (through OCI)	**(400.98)**	**73.42**

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

Particulars	As at 31st March 2024	As at 31st March 2023
Salary Growth Rate	3.00%	3.00%
Discount Rate	7.18%	7.46%
Withdrawal Rate	5.00%	5.00%
Mortality	100% of IALM 2012-14	100% of IALM 2012-14
Interest rate on net DBO	7.46%	7.12%
Expected average remaining working life	27.14	27.19

Investments quoted in active markets:

Particulars	As at 31st March 2024	As at 31st March 2023
Equity instruments	-	-
Debt instruments	-	-
Real estate	-	-
Derivatives	-	-
Investment Funds with Insurance Company	100.00%	100.00%
Of which, Unit Linked	-	-
Of which, Traditional/ Non-Unit Linked	100.00%	100.00%
Asset-backed securities	-	-
Structured debt	-	-
Cash and cash equivalents	-	-
Total	100.00%	100.00%

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

A quantitative sensitivity analysis for significant assumptions as at 31st March 2024 and 31st March 2023 are as shown below:

Assumptions	Sensitivity Level	As at 31st March 2024	As at 31st March 2023
Discount Rate	Increase by 1%	2,917.25	2,530.52
Discount Rate	Decrease by 1%	3,462.60	2,996.40
Further Salary Increase	Increase by 1%	3,471.14	3,005.28
Further Salary Increase	Decrease by 1%	2,906.08	2,519.85
Employee turnover	Increase by 1%	3,267.70	2,842.64
Employee turnover	Decrease by 1%	3,056.19	2,635.11
Mortality Rate	Increase in expected lifetime by 1 year	3,159.18	2,737.88
Mortality Rate	Increase in expected lifetime by 3 years	3,139.65	2,754.02

The weighted average duration of the defined benefit obligation as at 31st March 2024 is 10 years (31st March 2023: 11 years).

Gratuity liability is funded through a Gratuity Fund managed by Life Insurance Corporation of India Ltd.

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 Company's plans are shown below:

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

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

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RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

(Rupees in lakhs, except for share data and unless otherwise stated)

37 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.

Particulars	As at 31st March 2024			As at 31st March 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	1,27,835.84	-	1,27,835.84	2,52,361.58	-	2,52,361.58
Bank Balance other than above	13,829.91	-	13,829.91	17,001.25	-	17,001.25
Trade receivables	2,978.27	654.06	3,632.32	1,321.47	1,811.69	3,133.15
Loans	19,69,503.93	1,72,001.15	21,41,505.08	16,71,685.22	53,367.98	17,25,053.20
Investments	6,276.65	1,90,809.10	1,97,085.75	2,919.11	1,83,752.40	1,86,671.51
Other financial assets	2,843.81	12,731.68	15,575.49	10,616.19	3,869.51	14,485.70
Non-financial Assets						
Current tax assets (net)	1,600.91	-	1,600.91	-	-	-
Investment Property	-	26,119.76	26,119.76	-	26,119.76	26,119.76
Property, plant and equipment	-	39,747.51	39,747.51	-	39,301.60	39,301.60
Intangible assets under development	-	14.61	14.61	-	676.00	676.00
Other intangible assets	-	2,094.74	2,094.74	-	844.48	844.48
Right-of-use assets	13,824.78	69,184.21	83,008.99	11,877.78	68,058.21	79,935.99
Other non financial assets	3,098.61	4,070.92	7,169.52	20,989.24	3,326.66	24,315.90
Total assets	**21,41,792.70**	**5,17,427.74**	**26,59,220.44**	**19,88,771.83**	**3,81,128.29**	**23,69,900.12**
Liabilities						
Financial Liabilities						
Derivative Financial Liability	231.18	-	231.18	-	-	-
Trade payables	4,016.05	-	4,016.05	4,014.97	-	4,014.97
Debt Securities	57,810.67	2,29,221.99	2,87,032.66	1,37,482.59	1,67,160.38	3,04,642.97
Borrowings (other than debt security)	11,30,933.63	3,99,663.47	15,30,597.10	9,84,885.45	2,64,930.36	12,49,815.81
Lease Liability	20,640.26	74,815.39	95,455.65	17,868.12	71,096.89	88,965.01
Subordinated Liabilities	25,991.84	1,88,125.88	2,14,117.72	47,775.65	1,80,083.04	2,27,858.69
Other Financial liabilities	41,927.69	28,808.59	70,736.29	33,482.81	41,127.36	74,610.16
Non-financial Liabilities						
Current tax liabilities (net)	-	-	-	2,305.00	-	2,305.00
Provisions	972.07	4,082.23	5,054.30	409.31	3,030.52	3,439.83
Deferred tax liabilities (net)	-	22,489.75	22,489.75	-	22,247.61	22,247.61
Other non-financial liabilities	3,368.26	-	3,368.26	2,696.64	-	2,696.64
Total Liabilities	**12,85,891.65**	**9,47,207.30**	**22,33,098.95**	**12,30,920.54**	**7,49,676.14**	**19,80,596.68**
Net	**8,55,901.05**	**(4,29,779.56)**	**4,26,121.49**	**7,57,851.30**	**(3,68,547.85)**	**3,89,303.45**

RANGAMANI & CO. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

(Rupees in lakhs, except for share data and unless otherwise stated)

38 Change in liabilities arising from financing activities

Particulars	As at 1st April 2023	Cash Flows	Ind AS 116 - Lease Liabilities	Others	As at 31st March 2024
Debt Securities	3,04,642.97	(17,275.57)	-	(334.74)	2,87,032.66
Borrowings other than debt securities	12,49,815.81	2,81,403.12	-	(621.83)	15,30,597.10
Lease Liabilities	88,965.01	(20,183.67)	26,674.31	-	95,455.65
Subordinated Liabilities	2,27,858.69	(12,901.09)	-	(839.88)	2,14,117.72
Total liabilities from financing activities	**18,71,282.47**	**2,31,042.79**	**26,674.31**	**(1,796.44)**	**21,27,203.13**

Particulars	As at 1st April 2022	Cash Flows	Ind AS 116 - Lease Liabilities	Others	As at 31st March 2023
Debt Securities	3,79,379.03	(75,398.88)	-	662.82	3,04,642.97
Borrowings other than debt securities	11,53,567.02	97,275.85	-	(1,027.06)	12,49,815.81
Lease Liabilities	64,656.45	(18,722.79)	43,031.35	-	88,965.01
Subordinated Liabilities	2,38,526.64	(9,595.30)	-	(1,072.65)	2,27,858.69
Total liabilities from financing activities	**18,36,129.13**	**(6,441.12)**	**43,031.35**	**(1,436.89)**	**18,71,282.47**

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RANGAMANI & CO. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

39. Contingent Liabilities (to the extent not provided for)

Particulars	As at 31st March 2024	As at 31st March 2023
Contingent Liabilities		
(i) Income Tax Demands	3,679.87	3,420.85
(ii) Service Tax Demands	5,106.18	5,106.18
(iii) Value Added Tax Demands	-	1,327.12
(iv) Goods & Services Tax Demands	787.09	-
(v) Bank Guarantees	215.50	43.81

(vi) The Company had filed a Writ Petition before the Honourable High Court of Madras on 30th July, 2019 challenging the Order passed by the Income Tax Settlement Commission, Chennai Bench abating the proceedings before it relating to the Settlement Application filed by the Company dated December 17, 2017 ("Settlement Application"); and praying for stay on proceedings initiated by the Joint Commissioner of Income Tax (OSD), Central Circle, Thiruvananthapuram post abatement of proceedings by the Settlement Commission. The tax and interest due on the issues forming part of the Settlement Application totaled to ₹ 7,406 lakh. The Settlement Application related to notices received under Section 148 for Assessment Year 2010-11 and Section 153A of the Income Tax Act, as per which MFL was required to prepare true and correct return of which MFL was assessable for the Assessment Years 2011-2012 to 2016-2017 and for Assessment Year 2017-18, assessment of which was deemed to be pending by virtue of explanation (iv) to Section 245A(b) as on date of filing the settlement application. The Honourable High Court of Madras dismissed the petition filed by the Company on June 29, 2022 on the ground that the cause of action of the matter has arisen fully in Kerala and not within the territorial jurisdiction of the Honourable Madras High Court, thereby ousting its jurisdiction to entertain the petition. Accordingly, Company filed a writ petition before the High Court of Kerala, wherein the High Court passed an order on April 03, 2023 directing the interim board for settlement to reconsider the settlement application and to start afresh. The Interim Board of Settlement has passed an order dated November 15, 2023 opining on the settlement of income under the matter along with the interest to be charged and granting immunity to MFL from prosecution and penalty imposed under the Income Tax Act. The Deputy Commissioner of Income Tax, Central Circle, Thiruvananthapuram subsequently passed Orders giving effect to the Order of the Honorable Interim Board for Settlement for the Assessment Years 2010-11 to 2017-18 with demands aggregating to Rs.13,892.97 lakhs and refunds aggregating to Rs.4,675.93 lakhs. The said Orders were received on March 19, 2024. The Company evaluated the Orders passed and identified incorrect computations which has been intimated to the Central Circle, Thiruvananthapuram.

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RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

(Rupees in lakhs, except for share data and unless otherwise stated)

40 Related Party Disclosures

Names of Related parties with whom transaction has taken place

(A) Subsidiaries

1 Muthoot Microfin Limited
2 Muthoot Housing Finance Company Limited
3 Muthoot Pappachan Technologies Limited

(B) Key Management Personnel

	Designation
1 Thomas John Muthoot	Managing Director
2 Thomas George Muthoot	Director
3 Thomas Muthoot	Wholetime Director Cum Chief Financial Officer
4 Preethi John Muthoot	Director
5 Kurian Peter Arattukulam	Director
6 Vikraman Ampalakkat	Director
7 Badal Chandra Das	Director
8 Ravi Ramchandran	Director
9 Anthony Abraham Thomas	Director
10 Sachu Sivas	Company Secretary

(C) Enterprises owned or significantly influenced by key management personnel or their relatives

1 MPG Hotels and Infrastructure Ventures Private Limited
2 Muthoot Automotive (India) Private Limited
3 Muthoot Automobile Solutions Private Limited
4 Muthoot Capital Services Limited
5 Muthoot Motors Private Limited
6 Muthoot Risk Insurance and Broking Services Private Limited
7 Muthoot Pappachan Chits (India) Private Limited
8 Muthoot Exim Private Limited
9 Muthoot Kuries Private Limited
10 MPG Security Group Private Limited
11 Muthoot Estate Investments
12 Muthoot Motors (Cochin)
13 Muthoot Pappachan Foundation
14 M-Liga Sports Excellence Private Limited
15 Thinking Machine Media Private Limited
16 Muthoot Hotels Private Limited
17 Speckle Internet Solutions Private Limited
18 Muthoot Pappachan Centre of Excellence in Sports

(D) Relatives of Key Management Personnel

1 Janamma Thomas
2 Nina George
3 Remmy Thomas
4 Thomas M John
5 Suzannah Muthoot
6 Hannah Muthoot
7 Tina Suzanne George
8 Riza Elizabeth George
9 Shweta Ann George

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

Related Party transactions during the year:

Particulars	Key Management Personnel & Directors		Relatives of Key Management Personnel		Entities over which Key Management Personnel and their relatives are able to exercise significant influence		Subsidiaries	
	Year Ended 31st March 2024	Year Ended 31st March 2023	Year Ended 31st March 2024	Year Ended 31st March 2023	Year Ended 31st March 2024	Year Ended 31st March 2023	Year Ended 31st March 2024	Year Ended 31st March 2023
Revenue								
Auction of Gold Ornaments	-	-	-	-	4,337.03	2,644.20	-	-
Commission Received	-	-	-	-	1,465.90	1,309.19	573.41	518.80
Commission - Bank Guarantee	-	-	-	-	0.50	-	1.00	-
Rent received	-	-	-	-	332.54	301.75	136.24	136.71
Revenue from Travel Services	5.96	1.54	-	0.40	83.81	47.81	59.51	26.64
Interest on ICD	-	-	-	-	-	44.49	-	-
Interest accrued on loans & advances	1,800.00	1,964.98	-	-	-	-	-	-
Expense								
Commission Paid	750.00	600.00	-	-	1.39	2.10	0.72	1.42
Interest paid	221.27	504.84	35.77	71.83	382.07	224.38	-	-
Hotel Service payments	-	-	-	-	40.24	28.16	-	-
Professional & Consultancy Charges	-	-	-	-	2,095.16	2,095.44	2,009.20	1,635.60
Purchase of Gold / Silver Coins	-	-	-	-	6.34	3.02	-	-
Reimbursement of Expenses	-	-	-	-	(13.54)	(32.67)	(22.46)	(20.82)
Rent paid	111.79	108.18	-	-	20.16	19.60	-	-
Remuneration Paid	7,512.75	6,008.79	106.28	52.37	-	-	-	-
Annuity Insurance	-	203.60	-	-	-	-	-	-
Sitting Fee paid	24.50	13.75	-	-	-	-	-	-
Eswarna payments	-	-	-	-	245.64	63.34	-	-
Repairs and maintenance	-	-	-	-	0.18	4.73	-	-
Asset								
Advance for CSR Activities	-	-	-	-	490.17	462.97	-	-
Investment made in Equity	-	-	-	-	-	-	2,500.00	-
Loan repayments received	-	(19,900.00)	-	-	-	-	-	-
Loans Advanced	-	15,000.00	-	-	-	-	-	-
ICD advanced	-	-	-	-	-	7,000.00	-	-
ICD repaid	-	-	-	-	-	(7,000.00)	-	-
Purchase of shares of MML	1,016.43	18,608.52	2,032.87	4,616.48	-	-	-	-
Refund received against advance for property	-	(1,588.53)	-	(133.87)	(19,000.17)	(5,277.60)	-	-
Liability								
Advance received towards Owners share	-	-	-	-	475.00	600.00	-	-
Investment in Debt Instruments	-	-	7.00	0.50	-	-	-	-
Redemption of Inv-Debt Securities	(395.00)	-	(79.91)	(155.00)	(75.21)	(24.99)	-	-
Security Deposit Accepted	-	-	-	-	115.00	87.36	-	0.91
Security Deposit Repaid	-	-	-	-	(104.69)	(70.95)	(0.65)	(4.41)
Bank Guarantee given	-	-	-	-	50.00	-	100.00	-
Dividend Paid	18,032.98	1,170.97	2,784.31	180.80	64.17	4.17	-	-

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

Balance outstanding as at the year end:

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Entities over which Key Management Personnel and their relatives are able to exercise significant influence		Subsidiaries	
	Year Ended 31st March 2024	Year Ended 31st March 2023	Year Ended 31st March 2024	Year Ended 31st March 2023	Year Ended 31st March 2024	Year Ended 31st March 2023	Year Ended 31st March 2024	Year Ended 31st March 2023
Asset								
Advance for CSR Activities	-	-	-	-	86.32	10.71	-	-
Advance for Property/Shares	-	-	-	-	-	19,000.17	-	-
Advance receivable towards Owners share	-	-	-	-	3,149.67	2,859.42	-	-
Commission Receivable	-	-	-	-	170.80	127.19	60.86	45.33
Expense Reimbursements Receivable	-	-	-	-	0.91	1.09	4.16	1.47
Interest on Loan Receivable	774.25	774.25	-	-	-	-	-	-
Loans Outstanding	15,000.00	15,000.00	-	-	-	-	-	-
Rent Receivable	-	-	-	-	27.29	14.33	12.39	11.95
Travel Service Receivables	2.45	1.99	-	-	33.48	7.90	24.79	4.59
Investment-Equity Outstanding	-	-	-	-	217.00	217.00	55,289.75	49,740.45
Liability								
Collection balance payable	-	-	-	-	0.12	-	-	-
Commission Payable	-	-	-	-	-	0.04	0.07	0.07
Bank Guarantee given	-	-	-	-	50.00	-	100.00	-
Interest Payable	-	-	3.14	6.44	5.26	12.85	-	-
Rent Payable	-	-	-	-	1.90	1.77	-	-
Investment in Debt Instruments	-	395.00	232.64	305.55	114.14	159.66	-	-
PDI outstanding	1,750.00	4,045.00	35.00	390.00	3,470.00	2,793.00	-	-
Professional & Consultancy Charges payable	-	-	-	-	0.09	0.88	20.90	20.90
Security Deposit received	-	-	-	-	57.89	47.57	42.83	43.48
Other Payable	-	-	-	-	-	0.27	-	-

Note

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

Compensation of key management personnel of the Company:

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

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
Short-term employee benefits	7,537.04	6,022.54
Post-employment benefits	0.22	203.60
Total compensation paid to key managerial personnel	**7,537.25**	**6,226.14**

RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

(Rupees in lakhs, except for share data and unless otherwise stated)

41 Capital

Capital Management

The primary objective of the Company's capital management policy is to ensure that the Company complies with externally imposed capital requirements and maintains healthy credit ratings and capital ratios in order to support its business and to maximize shareholder value.

Being an NBFC-SI, the RBI requires the Company to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of a minimum Tier 1 Capital of 12% and a combined Tier 1 & Tier 2 Capital of 15% of our aggregate risk weighted assets. The capital management process of the Company ensures to maintain a healthy CRAR at all the times. The Company has issued perpetual debt instruments aggregating to INR 20,000 (March 31, 2023 - INR 10,000) during the year thereby strengthening the regulatory capital levels.

Regulatory capital	As at 31st March 2024	As at 31st March 2023
Tier 1 Capital	3,63,171	3,06,097
Tier 2 Capital	94,900	90,219
Total capital	**4,58,071**	**3,96,316**
Risk weighted assets	**22,89,044**	**18,57,078**
CRAR		
Tier 1 Capital (%)	15.87%	16.48%
Tier 2 Capital (%)	4.15%	4.86%

Tier 1 Capital comprises of share capital, share premium, reserves, retained earnings including current year profits, cumulative compulsorily convertible preference shares and perpetual debt instruments subject to permissible limits. Certain adjustments are made to Ind AS-based results and reserves, in order to ensure compliance with the directions of the Reserve Bank of India. Tier 2 Capital consists of Subordinated Debt Instruments subject to permissible limits as per the directions of the Reserve Bank of India, general provisions and PDI in excess of 15% of Tier 1 Capital of the Company as at the previous year end.

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RANGAMANI & Co. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

(Rupees in lakhs, except for share data and unless otherwise stated)

42 Fair Value Measurement

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 (i.e., an exit price), 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.

Fair Value Hierarchy of assets and liabilities

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy as at March 31, 2024:

Particulars	At FVTPL			
	Level-1	Level-2	Level-3	Total
Financial Assets				
Investment-JM Financial India Fund II	275.38	-	-	275.38
Investment-Steagence Debt Fund	-	997.61	-	997.61
Investment-Union Mutual Fund	2,501.85	-	-	2,501.85
Financial Liabilities				
Derivative Financial Liability	-	-	231.18	231.18
Cumulative Compulsorily Convertible Preference Shares (CCCPS)	-	-	16,202.00	16,202.00

Particulars	At FVTOCI			
	Level-1	Level-2	Level-3	Total
Investment-Muthoot Microfin Limited	1,70,977.50	-	-	1,70,977.50
Investment-Muthoot Pappachan Chits Private Limited	-	22.03	-	22.03
Investment-Avenues India Private Limited	-	479.10	-	479.10
Investment-Fair Asset Technologies (P) Limited	-	721.31	-	721.31
Investment-Equity Shares (DP account with Motilal Oswal)	2,449.60	-	-	2,449.60
Investment-PMS - Motilal Oswal	327.60	-	-	327.60
Investment-The Thinking Machine Media Private Limited	-	9.00	-	9.00
Investment-Speckle Internet Solutions Private Limited	-	42.86	-	42.86

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy as at March 31, 2023:

Particulars	At FVTPL			
	Level-1	Level-2	Level-3	Total
Financial Assets				
Inv-JM Financial India Fund II	236.50	-	-	236.50
Inv-Steagence Debt Fund	-	997.61	-	997.61
Inv-BPEA India Credit - Trust II	168.86	-	-	168.86
Financial Liabilities				
Derivative Financial Liability	-	-	-	-
Cumulative Compulsorily Convertible Preference Shares (CCCPS)	-	-	15,732.00	15,732.00

RANGAMANI & CO. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD PUNNEN ROAD TRIVANDRUM

Particulars	At FVTOCI			
	Level-1	Level-2	Level-3	Total
Investment-Muthoot Microfin Limited	-	1,66,298.57	-	1,66,298.57
Investment-Muthoot Pappachan Chits Private Limited	-	14.94	-	14.94
Investment-Avenues India Private Limited	-	479.10	-	479.10
Investment-Fair Asset Technologies (P) Limited	-	720.64	-	720.64
Investment-Equity Shares (DP account with Motilal Oswal)	1,690.38	-	-	1,690.38
Investment-PMS - Motilal Oswal	231.12	-	-	231.12
Investment-The Thinking Machine Media Private Limited	-	9.00	-	9.00
Investment-Speckle Internet Solutions Private Limited	-	42.86	-	42.86

Fair value technique

Investment at fair value through profit and loss

For investment at fair value through profit and loss, valuation are done using quoted prices from active markets or on published Net Asset Values of the investments at the measurement date or at the nearest available date.

Equity instruments

The equity instruments which are actively traded on public stock exchanges with readily available active prices on a regular basis are classified as Level 1. Units held in mutual funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions are generally Level 1. Equity instruments in non-listed entities are initially recognised at transaction price and re-measured as per fair valuation report and valued as at the measurement date or at the nearest available date has been classified as Level 2.

Financial Liabilities with significant unobservable inputs (Level 3)

This level of hierarchy includes financial liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data, this level of hierarchy includes cumulative compulsory convertible preference shares.

The fair value of the CCCPS is measured using the Monte Carlo Simulation technique. The Monte Carlo Simulation Method is one where a risk-neutral framework is used to simulate a range of simulated values, representing all the potential paths a variable could move over the period of the simulation. The inputs to this model are taken from observable market where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Significant unobservable inputs	As at 31st March 2024		As at 31st March 2023	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Discount Rate of CCCPS Conversion Feature	(390.15)	401.26	(544.00)	564.72
Discount for Lack of Marketability	(249.27)	249.27	(242.03)	242.03

Movements in Level 3 financial instruments measured at fair value

Particulars	As at 31st March 2024	As at 31st March 2023
Financial liability measured at FVTPL		
Cumulative Compulsorily Convertible Preference Shares (CCCPS)		
Opening Balance	15,732.00	15,213.00
Issued during the year	-	-
Converted during the year	-	-
Change in fair value	470.00	519.00
Closing balance	**16,202.00**	**15,732.00**

RANGAMANI & CO. CHARTERED ACCOUNTANTS ALLEPPEY

MUTHOOT FINCORP LTD. PUNNEN ROAD TRIVANDRUM

Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

Particulars	Level	Carrying Value		Fair Value	
		As at 31st March 2024	As at 31st March 2023	As at 31st March 2024	As at 31st March 2023
Financial Assets					
Cash and cash equivalents	1	1,27,835.84	2,52,361.58	1,27,835.84	2,52,361.58
Bank Balance other than above	1	13,829.91	17,001.25	13,829.91	17,001.25
Trade receivables	3	3,632.32	3,133.15	3,632.32	3,133.15
Loans	3	21,41,505.08	17,25,053.20	21,41,505.08	17,25,053.20
Investments	3	18,281.93	15,781.93	18,281.93	15,781.93
Other Financial assets	3	15,575.49	14,485.70	15,575.49	14,485.70
Financial Assets		**23,20,660.57**	**20,27,816.81**	**23,20,660.57**	**20,27,816.81**
Financial Liabilities					
Trade Payable	3	4,016.05	4,014.97	4,016.05	4,014.97
Debt securities	3	2,87,032.66	3,04,642.97	2,87,032.66	3,04,642.97
Borrowings (other than debt securities)	3	15,30,597.10	12,49,815.81	15,30,597.10	12,49,815.81
Lease Liability	3	95,455.65	88,965.01	95,455.65	88,965.01
Subordinated liabilities	3	2,14,117.72	2,27,858.69	2,14,117.72	2,27,858.69
Other financial liabilities	3	54,534.29	58,878.16	54,534.29	58,878.16
Financial Liabilities		**21,85,753.46**	**19,34,175.60**	**21,85,753.46**	**19,34,175.60**

Valuation techniques

Short-term financial assets and liabilities

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

Loans and advances to customers

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

Fair values of portfolios are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics ie, type of loan. The Company then calculates and extrapolates the fair value to the entire portfolio using effective interest rate model that incorporate interest rate estimates considering all significant characteristics of the loans. The credit risk is applied as a top-side adjustment based on the collective impairment model incorporating probability of defaults and loss given defaults. Hence, the carrying amount of such financial assets at amortised cost net of impairment loss allowance is of reasonable approximation of their fair value.

Financial liability at amortised cost

The fair values of financial liability held-to-maturity are estimated using a effective interest rate model based on contractual cash flows using actual yields. Since the cost of borrowing on the reporting date is not expected to be significantly different from the actual yield considered under effective interest rate model, the carrying value of financial liabilities at amortised cost is considered a reasonable approximation of their fair

43 **Segment Reporting**

In accordance with Para 4 of IND AS 108, Operating Segments, segment information has been presented in the consolidated financial statements of Muthoot FinCorp Limited and therefore, no separate disclosure has been given in standalone financial statement.

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44. Risk Management

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

The Company's Risk Management Committee of the Board of Directors constituted in accordance with the RBI directives has overall responsibility for overseeing the implementation of the risk management policy. The committee meets quarterly to review the Risk Management practices and working of the Enterprise Risk Management Department. The Committee consists of members of the Board including the Managing Director and is chaired by an Independent Director. The Enterprise Risk Management department periodically places its report to the committee for review. The committee's suggestions for improving the Risk Management Practices are implemented by the Enterprise Risk Management department.
The Company has implemented comprehensive policies and procedures to assess, monitor and manage its risk. 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.
The major type of risk Company faces in business are credit risk, liquidity risk, market risk and operational risk.

I) Credit Risk

Credit Risk arises from the risk of loss that may occur from the default of Company's customers under loan agreements. Customer defaults and inadequate collateral may lead to loan losses.
The Company addresses credit risk through following major processes:

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

A) Impairment Assessment

The Company is primarily engaged in the business of providing gold and SME loans. Whereas tenure of gold loans primarily range from 6 to 12 months, tenure of SME loans and loans against property range from 3 months to 180 months.
The Company's impairment assessment and measurement approach is set out in this note. It should be read in conjunction with the summary of material accounting policies.

Definition of default and cure

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 his / her 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.
The Company has considered a financial instrument as 'cured' and therefore re-classified out of Stage 3 during the year only once the entire dues have been received.

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

Rating	Loans Days past due (DPD)	Stages
High grade	Not yet due	Stage I
Standard grade	1-30 DPD	Stage I
Sub-standard grade	31-60 DPD	Stage II
Past due but not impaired	61-89 DPD	Stage II
Individually impaired	90 DPD or More	Stage III

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Exposure at Default (EAD)

The outstanding balance as at the reporting date is considered as EAD by the company.

Probability of default (PD)

The Probability of Default is an estimate of the likelihood of default over a given time horizon. To calculate the ECL for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 month ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments. The Company uses historical information where available to determine PD. For Gold and SME loans, considering the different products, schemes, ticket size, loan to value and geographies, the Company has bifurcated its loan portfolio into various pools. PD is calculated using Incremental NPA approach considering fresh slippage using historical information. For loans against property and personal loans, the Company has considered the published average default probability for similar loans from a leading credit bureau report on lending in India as the said portfolio is relatively new to the Company.

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.

Loss Given Default (LGD)

The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company expects to receive. LGD rates for Gold Loans have been computed internally based on the discounted recoveries in NPA accounts that are auctioned and upgraded during the year. For other loans, LGD rates have been arrived at guided by the Foundational Internal Ratings Based approach (FIRB) norms.

When estimating ECLs on a collective basis for a group of similar assets, the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Significant Increase in credit risk

The internal rating model evaluates the loans on an ongoing basis. The rating model also assesses if there has been a significant increase in credit risk since the previously assigned risk grade. One key factor that indicates significant increase in credit risk is when contractual payments are more than 30 days past due.

II) Liquidity risk

Asset Liability Management (ALM)

Liquidity risk is the risk of being unable to raise necessary funds from the market at optimal cost to meet operational and debt servicing requirements. The purpose of liquidity management is to ensure sufficient cash flow to meet all financial commitments and to capitalise on opportunities for business expansion. Board of Directors will have overall responsibility of monitoring, supervision and control of the Asset Liability Management (ALM) mechanism. An Asset Liability Management Committee (ALCO) consisting of the Managing Director and senior executives of the Company shall be responsible for the day to day as well as periodic monitoring and control of Asset Liability management. The discussions of the ALCO is placed before the Board of Directors for review. Our treasury team sources funds from multiple sources, including from banks, financial institutions, capital & retail markets to maintain a healthy mix of sources. The treasury 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 shows the maturity pattern of the assets and liabilities.

Maturity pattern of assets and liabilities as on 31st March 2024:

Particulars	Up to 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
Cash and cash equivalents	88,850.59	-	35,266.24	-	3,719.00	-	-	-	1,27,835.84
Bank Balance other than (a) above	7,608.14	-	-	1,220.52	5,001.24	-	-	-	13,829.91
Receivables	2,450.37	81.49	39.19	172.05	235.15	654.06	-	-	3,632.31
Loans	2,48,769.68	68,052.26	55,864.56	1,94,192.47	14,02,624.96	40,487.59	32,284.41	99,229.15	21,41,505.08
Investments	5,279.04	-	-	-	997.61	-	275.38	1,90,533.72	1,97,085.75
Other Financial assets	710.90	289.97	181.92	507.11	1,153.91	3,865.73	2,719.88	6,146.08	15,575.49
Total	**3,53,668.73**	**68,423.73**	**91,351.91**	**1,96,092.16**	**14,13,731.88**	**45,007.37**	**35,279.67**	**2,95,908.95**	**24,99,464.40**
Derivative Financial Liability	14.78	216.39	-	-	-	-	-	-	231.18
Payables	4,016.05	-	-	-	-	-	-	-	4,016.05
Debt Securities	-	21,460.86	-	4,314.24	32,035.56	1,57,563.96	50,959.65	20,698.38	2,87,032.66
Borrowings (other than Debt Securities)	1,70,652.81	31,716.69	72,628.31	1,36,256.43	7,19,679.19	3,18,175.58	78,303.30	3,184.39	15,30,597.10
Subordinated Liabilities	2,691.42	1,295.65	1,164.03	8,351.40	12,489.34	40,642.73	65,359.12	82,124.02	2,14,117.72
Other Financial liabilities	10,599.37	2,987.64	1,036.54	2,567.72	24,736.43	20,240.23	6,846.67	1,721.69	70,736.29
Total	**1,87,974.42**	**57,677.24**	**74,829.08**	**1,51,489.79**	**7,88,940.52**	**5,36,622.50**	**2,01,468.75**	**1,07,728.68**	**21,06,730.99**

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Maturity pattern of assets and liabilities as on 31st March 2023:

Particulars	Up to 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
Cash and cash equivalents	2,27,802.11	19,512.58	1,427.90	-	3,619.00	-	-	-	2,52,361.58
Bank Balance other than (a) above	7,006.88	-	-	2,631.31	7,362.86	-	-	-	17,001.25
Receivables	927.34	33.83	33.83	107.49	214.98	1,811.69	-	-	3,133.15
Loans	2,30,236.70	1,04,093.49	1,36,409.60	6,01,793.91	5,39,151.52	16,723.45	1,571.06	35,073.47	17,25,053.20
Investments	1,921.50	-	-	-	997.61	168.86	-	1,83,583.53	1,86,671.51
Other Financial assets	9,328.70	99.23	59.69	160.25	968.31	1,015.66	707.57	2,146.27	14,485.70
Total	**4,97,223.23**	**1,23,741.13**	**1,57,933.02**	**6,04,693.16**	**5,92,314.29**	**19,719.66**	**2,278.63**	**2,20,803.28**	**21,98,706.39**
Payables	4,014.97	-	-	-	-	-	-	-	4,014.97
Debt Securities	22,409.62	9,996.89	8,445.98	33,281.80	63,348.31	1,09,209.32	44,243.12	13,707.93	3,04,642.97
Borrowings (other than Debt Securities)	2,34,355.05	40,678.22	1,12,994.26	1,14,344.01	4,82,413.91	2,38,393.05	26,637.31	-	12,49,815.81
Subordinated Liabilities	3,889.30	4,040.52	3,174.20	9,075.22	25,596.41	41,934.45	45,729.27	92,419.32	2,27,858.69
Other Financial liabilities	14,766.93	1,215.26	952.67	4,049.22	12,498.72	30,030.44	8,363.83	2,733.08	74,610.16
Total	**2,81,635.86**	**55,930.89**	**1,25,567.12**	**1,60,650.25**	**5,83,857.34**	**4,19,467.26**	**1,24,973.54**	**1,08,860.33**	**18,60,942.59**

III) 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 and other market changes. The Company is exposed to three types of market risk as follows:

a) 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. The Company is 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 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 is as follows:

Particulars	March 31, 2024	March 31, 2023
On Borrowings		
1% increase	(19,070.32)	(17,768.95)
1% decrease	19,070.32	17,768.95

b) Price risk

Equity price risk is the risk that the fair value of equities decreases as the result of changes in level of equity indices and individual stocks. The trading and non-trading equity price risk exposure arises from equity securities classified at FVOCI. A 10% increase/(decrease) in the equity price (traded and non-traded) would have the impact as follows:

Particulars	Increase/(Decrease) in percentage	Sensitivity of profit or loss	Sensitivity of Other Comprehensive Income
As at 31st March 2024	10/(10)	377.48 / (377.48)	19,232.03 / (19,232.03)
As at 31st March 2023	10/(10)	140.30 / (140.30)	18,428.10 / (18,428.10)

A sudden fall in the gold price can result in increased customers defaults where the loan amount and interest exceeds the market value of gold, though the sentimental value of the gold jewellery to the customers may induce repayment and redemption of the collateral. This risk is partly mitigated by the fact that a minimum 25% margin is retained on the value of gold jewellery for the purpose of calculation of the loan amount. Further, the gold jewellery collateral is appraised solely based on the weight of its gold content, excluding weight and value of the stone studded in the jewellery if any. Though an occasional decrease in gold prices will not increase price risk significantly on account of our adequate collateral security margins, a sustained decrease in the market price of gold can additionally cause a decrease in the size of our loan portfolio and our interest income.

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c) Foreign currency risk

Foreign currency risk is the risk that the value of the financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk for the Company arises majorly on account of foreign currency borrowings. The Company has hedged its foreign currency risk on its foreign currency borrowings as at March 31, 2024 by entering into forward contracts. The counterparties for such hedge transactions are banks. The Company's exposure on account of Foreign Currency Borrowings at the end of the reporting period as follows:

Particulars	March 31, 2024		March 31, 2023	
	Amount in USD	Amount in INR	Amount in USD	Amount in INR
Foreign currency borrowings	658.76	54,193.29	-	-

Since the foreign currency exposure is completely hedged by equivalent derivative instrument, there will not be any significant impact on sensitivity analysis due to the possible change in the exchange rates where all the variables are held constant. On the date of maturity of the derivative instrument, the sensitivity of profit and loss to changes in the exchange rates will be nil.

d) Prepayment risk

Prepayment risk is the risk that the Company will incur a financial loss because its customers and counterparties repay or request repayment earlier or later than expected.

IV) 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.

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45 Employee Stock Option Plan and Stock Appreciation Plan

The Company has instituted MFL Employee Stock Option Schemes and MFL Employee Stock Appreciation Right Schemes with an objective to reward employees for their association with the Company, their performance, as well as to attract, retain and motivate employees to contribute to the growth and profitability of the Company.

45.1. Employee Stock Option Plan

(i) The particulars on the Stock Option Plan are as follows:

Scheme name	MFL Employee Stock Option Scheme 2018
Date of Shareholders Meeting, where approval to introduce and implement ESOP was granted	July 13, 2018
Date of Board Meeting where grant of options were approved	August 12, 2022
Date of grant	August 30, 2022 October 18, 2023
No. of employees to whom such options were granted	744
Number of options granted	23,57,550
Method of settlement	Equity
Vesting conditions	The actual vesting of options will depend on continuation to hold the services being provided to the Company at the time of exercise of options, performance based parameters and such other conditions as mentioned in the ESOP Scheme.
Vesting period	**For ESOP Scheme II & IV, 2018** Option will be vested at the: End of year 1 from grant date : 20% End of year 2 from grant date : 30% End of year 3 from grant date : 50% **For ESOP Scheme V, 2018** Option will be vested at the: End of year 1 from grant date : 33.33% End of year 2 from grant date : 33.33% End of year 3 from grant date : 33.33% **For ESOP Scheme III, 2018** Option will be vested at the: End of year 3 from grant date : 100% **For ESOP Scheme VI, 2018** Option will be vested at the: End of year 1 from grant date : 50% End of year 2 from grant date : 50%
Exercise Price (Amount in INR as per MFL ESOP Scheme 2018)	100.00
Exercise period	The options can be exercised over a period of 10 years from the date of grant
Pricing Formula	As per valuation from a registered valuer

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(ii) Movement during the year in Options:

Particulars	Current year MFL ESOP 2018	Previous year MFL ESOP 2018
No. of Options :		
Outstanding at the beginning of the year	7,87,919	-
Granted during the year	14,92,984	8,64,566
Vested during the year	1,90,156	-
Exercised during the year (pending allotment)	7,902	-
Lapsed during the year	-	-
Forfeited during the year*	84,099	76,647
Outstanding at the end of year	21,88,902	7,87,919
Unvested at the end of year	20,06,648	7,87,919
Exercisable at the end of year	1,82,254	-
Money realized by exercise of options (INR)	7.90	-

** Due to employee separations post grant of option during the year*

(iii) The fair value of the options was estimated on the date of grant using the Black-Scholes model with the following significant assumptions:

Particulars	Current year MFL ESOP 2018	Previous year MFL ESOP 2018
Weighted average option fair value (Amount in INR)	214.20	141.00
Market price (Amount in INR)	309.63	197.66
Exercise price (Amount in INR)	100.00	100.00
Expected volatility of share price (%) *	40.50% - 43.20%	42.06% - 43.20%
Option Life (years)	5.51 to 6.51 years	5.51 to 6.51 years
Expected dividends yield (%)	-	-
Risk free interest rate (%)	7.07% to 7.31%	7.07% to 7.12%

**The expected price volatility is determined using annualized standard deviation (a measure of volatility used in Black-Scholes-Merton option pricing) and the historic volatility based on remaining life of the options*

(iv) The total expense recognised for the period arising from MFL ESOP 2018 amounted to INR 1,101.59 (March 31, 2023 - INR 355.14) and the carrying amount for the corresponding liabilities as at March 31, 2024 amounted to INR 1,456.73 (March 31, 2023 - INR 355.14).

45.2. Employee Stock Appreciation Plan

(i) The particulars on the Stock Appreciation Plan are as follows:

Scheme name	MFL Employee SAR Scheme 2018
Date of Shareholders Meeting, where approval to introduce and implement SAR was granted	July 13, 2018
Date of Board Meeting where grant of SAR were approved	August 12, 2022
Date of grant	August 30, 2022 October 18, 2023
No. of employees to whom such SAR were granted	2,373
Number of SAR granted	12,85,330
Method of settlement	Cash
Vesting conditions	The actual vesting of SAR will depend on continuation to hold the services being provided to the Company at the time of exercise, performance based parameters and such other conditions as mentioned in the SAR Scheme.
Vesting period	**For SAR Scheme Scheme II & III, 2018** SAR will be vested at the: End of year 1 from grant date : 20% End of year 2 from grant date : 30% End of year 3 from grant date : 50%

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Exercise Price (Amount in INR as per MFL SAR Scheme 2018)	225.00
Pricing Formula	As per valuation from a registered valuer

(ii) Movement during the year in SAR Options:

Particulars	Current year MFL SAR 2018	Previous year MFL SAR 2018
No. of SAR:		
Outstanding at the beginning of the year	11,63,592.00	-
Granted during the year	42,537	12,42,793
Vested during the year	1,96,703.00	-
Exercised during the year	1,95,721.00	-
Lapsed during the year	-	-
Forfeited during the year*	36,992	79,201
Outstanding at the end of year	9,73,416	11,63,592
Unvested at the end of year	9,73,416	11,63,592
Exercisable at the end of year	-	-

** Due to employee separations post grant of option during the year*

(iii) The fair value of the options was estimated on the date of grant using the Black-Scholes model with the following significant assumptions:

Particulars	Current year MFL SAR 2018	Previous year MFL SAR 2018
Weighted average option fair value (Amount in INR)	63.18	74.18
Market price (Amount in INR)	309.63	257.05
Exercise price (Amount in INR)	225.00	225.00
Expected volatility of share price (%)*	26.97% - 34.42%	26.97% - 34.30%
Option Life (years)	0.46 to 2.59 years	0.46 to 2.46 years
Expected dividends yield (%)	-	-
Risk free interest rate (%)	6.50% to 7.22%	6.79% to 7.10%

**The expected price volatility is determined using annualized standard deviation (a measure of volatility used in Black-Scholes-Merton option pricing) and the historic volatility based on remaining life of the options*

(iv) The total expense recognised for the period arising from MFL SAR 2018 amounted to INR 283.93 (March 31, 2023 - INR 230.95) and the carrying amount for the corresponding liabilities as at March 31, 2024 amounted to INR 348.76 (March 31, 2023 - INR 230.95)

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46 Disclosure pursuant to RBI Notification - RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 Dated 13 March 2020 - A comparison between provisions required under Income recognition, asset classification and provisioning (IRACP) and impairment allowances as per Ind AS 109 'Financial

As at March 31, 2024

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowance (Provisions) as required under Ind AS 109	Net carrying amount	Provision required as per IRACP norms*	Difference between Ind AS 109 provision and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3) - (4)	(6)	(7) = (4) - (6)
(a) Performing Assets						
Standard	Stage 1	20,06,396.79	8,067.43	19,98,329.36	8,046.16	21.26
	Stage 2	1,29,690.84	444.10	1,29,246.74	518.76	(74.66)
Subtotal - Performing Assets		**21,36,087.63**	**8,511.53**	**21,27,576.10**	**8,564.93**	**(53.40)**
(b) Non-PerformingAssets (NPA)						
(i) Substandard	Stage 3	12,160.39	3,094.44	9,065.95	1,217.80	1,876.64
(ii) Doubtful up to:						
1 year	Stage 3	2,157.70	2,157.04	0.65	441.09	1,715.96
1 to 3 year	Stage 3	6,151.92	5,473.36	678.56	1,916.07	3,557.29
More than 3 years	Stage 3	10,344.47	6,160.66	4,183.81	5,241.88	918.78
Subtotal (ii)		**18,654.09**	**13,791.06**	**4,863.03**	**7,599.03**	**6,192.03**
(iii) Loss	Stage 3	4,332.02	4,332.02	-	4,332.02	-
Subtotal - NPA		**35,146.50**	**21,217.52**	**13,928.98**	**13,148.86**	**8,068.66**
Total	**Stage 1**	20,06,396.79	8,067.43	19,98,329.36	8,046.16	21.26
	Stage 2	1,29,690.84	444.10	1,29,246.74	518.76	(74.66)
	Stage 3	35,146.50	21,217.52	13,928.98	13,148.86	8,068.66
	Total	**21,71,234.13**	**29,729.05**	**21,41,505.08**	**21,713.79**	**8,015.26**

*Computed on the value as per the IRACP norms

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As at March 31, 2023

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowance (Provisions) as required under Ind AS 109	Net carrying amount	Provision required as per IRACP norms*	Difference between Ind AS 109 provision and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3) - (4)	(6)	(7) = (4) - (6)
(a) Performing Assets						
Standard	Stage 1	16,16,329.75	9,006.98	16,07,322.77	6,474.19	2,532.78
	Stage 2	1,08,016.61	507.60	1,07,509.01	432.07	75.54
Subtotal - Performing Assets		**17,24,346.36**	**9,514.58**	**17,14,831.78**	**6,906.26**	**2,608.32**
(b) Non-PerformingAssets (NPA)						
(i) Substandard	Stage 3	6,169.30	880.38	5,288.91	616.60	263.79
(ii) Doubtful up to:						
1 year	Stage 3	5,616.39	5,593.12	23.26	1,123.28	4,469.85
1 to 3 year	Stage 3	10,315.46	9,359.05	956.41	3,094.64	6,264.41
More than 3 years	Stage 3	10,443.88	6,491.05	3,952.83	5,221.94	1,269.11
Subtotal (ii)		**26,375.73**	**21,443.22**	**4,932.51**	**9,439.85**	**12,003.37**
(iii) Loss	Stage 3	4,616.11	4,616.11	-	4,616.11	-
Subtotal - NPA		**37,161.13**	**26,939.71**	**10,221.42**	**14,672.56**	**12,267.15**
Total	**Stage 1**	16,16,329.75	9,006.98	16,07,322.77	6,474.19	2,532.78
	Stage 2	1,08,016.61	507.60	1,07,509.01	432.07	75.54
	Stage 3	37,161.13	26,939.71	10,221.42	14,672.56	12,267.15
	Total	**17,61,507.49**	**36,454.29**	**17,25,053.20**	**21,578.82**	**14,875.47**

*Computed on the value as per the IRACP norms.

47 Additional Disclosures as Required by the Reserve Bank of India

(i) Frauds

During the year there have been certain instances of fraud on the Company by officers and employees where gold loan related misappropriations / cash embezzlements / burglaries have occurred for amounts aggregating to an amount of INR 428.96 (March 31, 2023 - INR 664.83) of which the Company has recovered INR 29.90 (March 31, 2023 - INR 39.74). 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 value of frauds and burglaries (net of recovery), has been fully provided for.

(ii) The Company extends loans to its customers against security of gold not exceeding 75% of the value of gold. Value of gold for this purpose is taken from the rates published by the Association of Gold Loan Companies (AGLOC). AGLOC publishes the value of gold based on the immediately preceding 30 days average price of 22 karat Gold published by Bombay Bullion Association. The Company holds 48.21 tonnes of Gold as at March 31, 2024 (March 31, 2023 - 48.01 tonnes). The loan amount provided against security of gold works out to 68.89% of the value of gold as on 31st March 2024 (As at 31st March 2023 - 63.28%).

(iii) The Company's Percentage of Gold Loan to Total Assets is 73.34% as at 31st March 2024 (As at 31st March 2023 - 70.79%).

(Rupees in lakhs, except for share data and unless otherwise stated)

Note 47 contd.

(v) **Disclosures required as per Reserve Bank of India Circular No RBI/2019-20/88/DOR.NBFC (PD) CC. No. 102/03.10.001/2019-20 dated November 04, 2019**

(i) **Funding concentration based on significant counterparty (both deposits and borrowings):**

Particulars	No. of significant counterparties	Amount	% of Total Deposits	% of Total Liabilities*
As at March 31, 2024	17	14,54,202.42	N.A.	65.12%
As at March 31, 2023	17	11,89,567.73		60.06%

** Total Liabilities excludes Equity and Other Equity*

(ii) **Top 20 large deposits:**
The Company does not accept Deposits

(iii) **Top 10 borrowings:**

Particulars	Amount	% of Total Borrowings
As at March 31, 2024	11,79,901.26	58.07%
As at March 31, 2023	9,96,442.96	55.91%

(iv) **Funding concentration based on significant instrument / product:**

Particulars	As at March 31, 2024		As at March 31, 2023	
	Amount	% of Total Liabilities*	Amount	% of Total Liabilities*
Working Capital Demand Loan	8,528.06	38.19%	7,46,415.46	37.69%
Working Capital (Term) Loan	6,777.91	30.35%	5,03,400.35	25.42%
Secured NCD	2,870.33	12.85%	3,04,642.97	15.38%
Subordinated Debt	1,465.62	6.56%	1,79,745.30	9.08%
Perpetual Debt Instrument	675.56	3.03%	48,113.39	2.43%
Total	**20,317.47**	**90.98%**	**17,82,317.46**	**89.99%**

** Total Liabilities excludes Equity and Other Equity*

(v) **Stock Ratios:**

(i) Commercial papers as a % of total public funds, total liabilities and total assets:

Particulars	As at March 31, 2024	As at March 31, 2023
Total Public Funds	-	-
Total Liabilities	-	-
Total Assets	-	-

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(ii) Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets:

Particulars	As at March 31, 2024	As at March 31, 2023
Total Public Funds	2.85%	7.71%
Total Liabilities	2.59%	6.94%
Total Assets	2.17%	5.80%

a) Public Funds include Debt Securities; Borrowings (other than debt securities) and Subordinated Liabilities
b) Total Liabilities excludes Equity and Other Equity

(iii) Other short-term liabilities, if any as a % of total public funds, total liabilities and total assets:

Particulars	As at March 31, 2024	As at March 31, 2023
Total Public Funds	60.44%	61.35%
Total Liabilities	54.99%	55.21%
Total Assets	46.18%	46.14%

a) Other Short Term Liabilities include all liabilities maturing within 12 months (excluding Commercial Paper & Non-Convertible Debentures)

(iv) Institutional set-up for liquidity risk management

The Asset - Liability Committee (ALCO) constituted by the Board is responsible for ensuring proper liquidity risk management and adherence to the limits set by the regulator and the Board as well as for deciding the business strategies of the company in line with the company's budget and decided risk management objectives. The ALCO consists of the Managing Director as Chairman of the Committee and includes the Executive Director & CFO, Chief Executive Officer, Chief Risk Officer, Head – Finance, Head - Treasury and Head-Internal Audit & Quality Assurance.

The ALM Support Groups are responsible for analysing, monitoring and reporting the risk profiles to the ALCO. The company also prepares forecasts / simulations showing the effects of various possible changes in market conditions on the Companys position and recommends action needed to adhere to limits prescribed by the regulator as well as Company's internal limits with regard to liquidity risks. The ALCO meets once every month or as and when required and reviews the position of liquidity and other market risks. Breaches or critical issues are put up to the risk management committee of the Board.

(vi) Liquidity Coverage Ratio Disclosure

Particulars	As at March 31, 2024		As at December 31, 2023	
	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
High Quality Liquid Assets				
Total High Quality Liquid Assets (HQLA)	92,877.92	93,877.92	98,299.92	98,299.92
Cash Outflows				
Deposits (for deposit taking companies)	-	-	-	-
Unsecured wholesale funding	4,990.15	5,738.68	6,249.18	7,186.55
Secured wholesale funding	19,966.19	22,961.12	31,600.17	36,340.19
Additional requirements, of which:			-	
Outflows related to derivative exposures and other collateral requirements	-	-	-	-
Outflows related to loss of funding on debt products	-	-	-	-
Credit and liquidity facilities	1,85,554.97	2,13,388.21	1,74,027.70	2,00,131.86
Other contractual funding obligations	14,162.52	16,286.90	10,124.63	11,643.33
Other contingent funding obligations	-	-	-	-
TOTAL CASH OUTFLOWS	**2,24,673.83**	**2,58,374.91**	**2,22,001.68**	**2,55,301.93**

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Particulars	As at March 31, 2024		As at December 31, 2023	
	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
Cash Inflows				
Secured lending	47,397.00	35,547.75	38,657.67	43,993.25
Inflows from fully performing exposures	3,05,335.29	2,29,001.47	3,19,080.41	2,39,310.31
Other cash inflows	-	-	11,783.33	8,837.50
TOTAL CASH INFLOWS	**3,52,732.29**	**2,64,549.22**	**3,89,521.41**	**2,92,141.06**
TOTAL HQLA		**92,877.92**		**98,299.92**
TOTAL NET CASH OUTFLOWS (Weighted value of Total Cash Outflows - Minimum of (Weighted value of Total Cash Inflows, 75% of Weighted value of Total Cash Outflows)		**64,593.73**		**63,825.48**
LIQUIDITY COVERAGE RATIO (%)		**143.79%**		**154.01%**

Particulars	As at September 30, 2023		As at June 30, 2023	
	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
High Quality Liquid Assets				
Total High Quality Liquid Assets (HQLA)	76,713.42	76,713.42	66,195.58	66,195.58
Cash Outflows				
Deposits (for deposit taking companies)	-	-	-	-
Unsecured wholesale funding	12,010.73	13,812.34	3,454.82	3,973.04
Secured wholesale funding	16,149.33	18,571.73	24,182.26	27,809.60
Additional requirements, of which:				
Outflows related to derivative exposures and other collateral requirements	-	-	-	-
Outflows related to loss of funding on debt products	-	-	-	-
Credit and liquidity facilities	-	-	-	-
Other contractual funding obligations	91,617.16	1,05,359.73	83,516.83	96,044.35
Other contingent funding obligations	13,427.84	15,442.03	11,755.11	13,518.38
TOTAL CASH OUTFLOWS	**1,33,205.05**	**1,53,185.81**	**1,22,909.02**	**1,41,345.37**
Cash Inflows				
Secured lending	61,579.00	46,184.25	85,315.00	63,986.25
Inflows from fully performing exposures	2,30,258.06	1,72,693.55	2,08,446.12	1,56,334.59
Other cash inflows	2,666.67	2,000.00	22,126.67	16,595.00
TOTAL CASH INFLOWS	**2,94,503.73**	**2,20,877.80**	**3,15,887.79**	**2,36,915.84**
TOTAL HQLA		**76,713.42**		**66,195.58**
TOTAL NET CASH OUTFLOWS (Weighted value of Total Cash Outflows - Minimum of (Weighted value of Total Cash Inflows, 75% of Weighted value of Total Cash Outflows)		**38,296.45**		**35,336.34**
LIQUIDITY COVERAGE RATIO (%)		**200.31%**		**187.33%**

a) High Quality Liquid Assets consists of cash on hand and balances with banks in current accounts
b) Weighted Value is calculated at 115% of unweighted outflows and 75% of unweighted inflows

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48 Disclosures under the Listing Agreement for Debt Securities

(i) Debenture Trustees:

Trustees for Public Issue	**Trustees for Public Issue**
SBICAP Trustee Company Limited	Catalyst Trusteeship Limited
Mistry Bhavan, 4th Floor, 122	901, 9th Floor, Tower-B, Peninsula
Dinshaw Vachha Road,	Business Park, Senapati Bapat Marg,
Churchgate, Mumbai - 400020	Lower Parel (W), Mumbai-400013
Tel : 022-4302 5555	Office +91 (022) 49220555
Fax : 022-22040465	Fax +91 (022) 49220505
Email : corporate@sbicaptrustee.com	Email: dt.mumbai@ctltrustee.com

Trustees for Listed Private Placement & Public Issue	**Trustees for Perpetual Debt Instrument**
Vardhman Trusteeship Private Limited	Vistra ITCL (India) Limited (formerly IL&FS Trust Company Limited)
The Capital, 412 A, 4th Floor,	The Qube, 6th floor, A wing, Hasan Pada Road,
A-Wing, Bandra Kurla Complex	Mittal Industrial Estate, Marol, Andheri€
Bandra (East), Mumbai 400 051, Maharashtra	Mumbai - 400059
Tel: +91 22 4264 8335	Tel: +91 22 69300000
E-mail: corporate@vardhmantrustee.com	Fax: +91 22 28500029
	Email: mumbai@vistra.com

(ii)Security:

1. Privately Placed Secured Debentures outstanding as at the year ended March 31, 2024 are secured by first pari-passu charge on the present and future standard loan receivables and current assets along with other lenders and NCD investors with a minimum asset coverage ratio of 1.1 / 1.25 times of the value of the outstanding amounts of the Debentures (as more specifically disclosed in Note 18).

2. Debentures issued by way of public issue outstanding as at the year ended March 31, 2024 are secured by subservient charge with existing secured creditors, on loan receivables (both present and future) of the Company, to be held on pari passu basis among the present and / or future NCD holder (as more specifically disclosed in Note 18).

3. The details of security for Covered Bonds issued in the nature of secured, redeemable, listed non-convertible debentures on a private placement basis and listed debentures placed under Targeted Long Term Repo Operations (TLTRO) that were redeemed during the current year but were outstanding as at the end of the previous year are specifically disclosed in Note 18.

(iii) Utilisation of Funds raised by way of Public Issue of Debt Securities:

The Company has utilised the Net Proceeds raised by way of allotment of Public Issue of Debt Securities and other Listed Debt Securities, in accordance with the objects of such issue of debt securities. As at March 31, 2024, no portion of such allotted proceeds remain unutilized (March 31, 2023 - Nil).

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(iv) **Disclosure of Loan and advances pursuant to Regulation 53(f) of the Securities and ExchangeBoard of India (Listing Obligation and Disclosure Requirements) Regulations, 2015:**

Particulars	Year ended 31st March 2024		Year ended 31st March 2023	
	Advanced / invested during year	Maximum outstanding during the year	Advanced / invested during year	Maximum outstanding during the year
Loans & Advances				
Loans & advances in the nature of loans to subsidiaries	Nil	Nil	Nil	Nil
Loans & advances in the nature of loans to associates or to any person whose shareholding is 10% or more in the Company or any entity where the promoter/promoter group holds 10% or more shareholding:				
Thomas John Muthoot	-	5,000.00	5,000.00	7,000.00
Thomas George Muthoot	-	5,000.00	5,000.00	7,000.00
Thomas Muthoot	-	5,000.00	5,000.00	5,900.00
Investment				
Investment in subsidiaries:				
*Muthoot Microfin Limited**	-	37,995.73	-	34,946.43
Muthoot Housing Finance Company Limited	2,500.00	17,291.02	-	14,791.02
Muthoot Pappachan Technologies Limited	-	3.00	-	3.00
Investment in associate or in any entity where the promoter/promoter group holds 10% or more of shareholding or in any entity where the promoters are interested:				
Muthoot Pappachan Chits (I) Private Limited	-	8.00	-	8.00
Speckle Internet Solutions Private Limited	-	200.00	-	200.00
The Thinking Machine Media Private Limited	-	9.00	-	9.00
Inter Corporate Deposit advanced and repaid during the year:				
Muthoot Capital Services Limited	-	-	7,000.00	7,000.00

*The Company has acquired equity shares of Muthoot Microfin Limited from its shareholders aggregating to a value of INR 3,049.29 during the year (Previous year - INR 23,225)

49 There are no unclaimed amounts due for transfer to The Investor Education and Protection Fund established under Section 125 of the Companies Act, 2013.

50 **Sustainability Initiatives to support the Environment**

The Company has 19 Wind Turbine Generators installed in Tamil Nadu having a combined power generation capacity of 23.225 Megawatt (March 31, 2023 - 23.225 Megawatt). During the year ended March 31, 2024, the said windmills generated 262.02 lakhs units of electrical energy (300.73 lakh units during the year ended March 31, 2023).

51 **Additional disclosures as per Schedule III of Companies Act, 2013**

(i) The Company does not have any immovable property whose title deeds are not held in the name of the Company.

(ii) The fair value of investment property measured for disclosure purposes in the financial statements is based on the valuation by an independent registered valuer.

(iii) The Company has not revalued its Property, Plant and Equipment or Right of Use Assets during the current or previous year.

(iv) The Company has not revalued Intangible Assets during the current or previous year.

(v) The Company has not given any loans or advances in the nature of loans that are a) repayable on demand or b) without specifying any terms or period of repayment; to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person during the current or previous year.

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(vi) The Company does not have any Capital Work in Progress as at the end of the current or previous year.
(vii) The ageing schedule of Intangible Assets under development as at March 31, 2024 is as below:

For the year ended March 31, 2024:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress	14.61	-	-	-	14.61
Projects temporarily suspended	-	-	-	-	-

For the year ended March 31, 2023:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress	676.00	-	-	-	676.00
Projects temporarily suspended	-	-	-	-	-

(viii) The company does not hold any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder and no proceedings have been initiated or is pending against the company for the same.
(ix) The quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.
(x) The Company has not made any default in repayment of its financial obligations and is not declared wilful defaulter by any bank or financial Institution or other lender.
(xi) The company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
(xii) There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.
(xiii) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
(xiv) Capital to risk-weighted assets ratio, Tier I CRAR and Tier II CRAR has been disclosed in Note 41 and Liquidity Coverage Ratio in Note 47
(xv) The Company has not entered into any Scheme of Arrangements which requires the approval of the Competent Authority in terms of sections 230 to 237 of the Companies Act,2013 for the financial years ended March 31, 2024 and March 31, 2023.
(xvi) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
(xvii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(xviii) The company does not have any transaction which is not recorded in the books of account but has been surrendered or disclosed as income during the year in tax assessments under the Income tax Act, 1961.
(xix) The Company has not traded or invested in Crypto currency or Virtual Currency during the current or previous financial year.

52 The Company has accounting software to manage its books of account, incorporating an audit trail (edit log) feature. This feature is consistently utilized throughout the year for all transactions recorded in the software, and backup is taken periodically of these transactions. Additionally, measures are in place to establish necessary controls aimed at preventing or identifying any tampering with the audit trail feature.

53 Previous year's figures have been regrouped/rearranged, wherever necessary to conform to current year's classifications / disclosure.

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54. Details disclosed under the Master Direction- Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023

Sr. no.	Particulars	As at 31st March 2024		As at 31st March 2023	
		Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
	LIABILITY SIDE				
1	**Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid**				
	a. Debentures				
	Secured	3,07,449.82	405.77	3,30,313.36	264.09
	Unsecured	-	-	-	-
	b. Deferred credits	-	-	-	-
	c. Term loans	6,78,234.33	-	5,03,659.48	-
	d. Inter-corporate loans and borrowings	-	-	-	-
	e. Commercial paper	-	-	-	-
	f. Public Deposits	-	-	-	-
	g. Other loans				
	Working capital loans from banks	8,53,477.19	-	7,46,624.01	-
	Perpetual Debt Instruments	67,566.18	-	48,110.37	-
	Subordinated Debts	1,69,166.37	3,359.16	2,01,997.20	4,564.50

Sr. no.	Particulars	As at 31st March 2024	As at 31st March 2023
		Amount outstanding	Amount outstanding
	ASSET SIDE		
2	**Break-up of Loans and advances including bills receivables (Other than those included in (4) below)**		
	a. Secured	21,30,617.26	17,23,807.10
	b. Un-Secured	10,887.82	1,246.10
3	**Break-up of Leased Assets and stock on hire and other assets counting towards asset financing activities**		
	(i) Lease assets including lease rentals under sundry debtors:		
	(a) Financial Lease	-	-
	(b) Operating Lease	-	-
	(ii) Stock on hire including hire charges under sundry debtor:		
	(a) Assets on hire	-	-
	(b) Repossessed Assets	-	-
	(iii) Other loans counting towards asset financing activities		
	(a) Loans where assets have been repossessed	-	-
	(b) Loans other than (a) above	-	-

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Sr. no.	Particulars	As at 31st March 2024	As at 31st March 2023
		Amount outstanding	Amount outstanding
4	**Break-up of Investments**		
	Current Investments		
	1. Quoted:		
	i. Shares		
	(a) Equity	2,449.60	1,690.38
	(b) Preference	-	-
	ii. Debentures and Bonds	-	-
	iii. Units of Mutual Funds	2,501.85	-
	iv. Government Securities	-	-
	v. Others	327.60	231.12
	2. Un-Quoted:		
	i. Shares		
	(a) Equity	-	-
	(b) Preference	-	-
	ii. Debentures and Bonds	-	-
	iii. Units of Mutual Funds	-	-
	iv. Government Securities	-	-
	v. Others (Debt Fund)	997.61	997.61
	Long Term Investments		
	1. Quoted:		
	i. Shares		
	(a) Equity	1,70,977.30	-
	(b) Preference	-	-
	ii. Debentures and Bonds	-	-
	iii. Units of Mutual Funds	-	-
	iv. Government Securities	-	-
	v. Others	-	-
	2. Un-Quoted:		
	i. Shares		
	(a) Equity	17,367.91	1,81,159.39
	(b) Preference	1,200.41	1,399.74
	ii. Debentures and Bonds	987.91	987.91
	iii. Units of Mutual Funds	-	-
	iv. Government Securities	-	-
	v. Others (Alternate Investment Fund)	275.34	405.36

5 **Borrower group wise classification of assets financed as in (2) & (3) above**

Category	As at 31st March 2024			As at 31st March 2023		
	Amount net of provisions			Amount net of provisions		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1.Related Parties						
a. Subsidiaries	-	-	-	-	-	-
b. Companies in the same group	-	-	-	-	-	-
c. Other related parties	13,774.25	-	13,774.25	13,774.25	-	13,774.25
2.Other than related Parties	21,14,843.02	10,887.82	21,25,730.83	17,08,032.85	1,246.10	17,09,278.95
Total	21,30,617.26	10,887.82	21,41,505.08	17,21,807.10	1,246.10	17,25,053.20

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

Category	As at 31st March 2024		As at 31st March 2023	
	Market value/Breakup or Fair value or NAV	Book Value (Net of Provisions)	Market value/Breakup or Fair value or NAV	Book Value (Net of Provisions)
1.Related Parties				
a. Subsidiaries	1,88,271.52	1,88,271.52	1,81,092.59	1,81,092.59
b. Companies in the same group	31.03	31.03	23.94	23.94
c. Other related parties	42.86	42.86	42.86	42.86
2.Other than related Parties	9,947.79	8,740.35	6,719.56	5,512.12
Total	**1,98,293.20**	**1,97,085.75**	**1,87,878.95**	**1,86,671.51**

7 **Other Information**

Particulars	As at 31st March 2024	As at 31st March 2023
(i) Gross Non-Performing Assets		
(a) Related Parties	-	-
(b) Other than related parties	35,146.50	37,161.13
(ii) Net Non-Performing Assets		
(a) Related Parties	-	-
(b) Other than related parties	13,928.98	10,221.42
(iii) Assets Acquired in satisfaction of debt	-	-

Additional Disclosures

1 **Capital Adequacy Ratio**

Particulars	As at 31st March 2024	As at 31st March 2023
CRAR (%)	20.01%	21.34%
CRAR – Tier 1 Capital (%)	15.87%	16.48%
CRAR – Tier 2 Capital (%)	4.15%	4.86%
Amount of subordinated debt raised as Tier-2 capital (eligible amount, restricted to 50% of Tier-1 capital)	64,746.99	73,653.28
PDI raised during the year	20,000.00	10,000.00
PDI outstanding at the end of the year*	67,535.79	48,113.39

*Includes issue expenses amortised as per EIR

The percentage of Tier 1 PDI to the Tier 1 Capital of the Company as at 31st March 2024 is 12.64% (31st March 2023 - 13.22%). PDI in excess of 15% of the previous year Tier 1 Capital has been considered under Tier 2 Capital.
There have not been instances of non-payment of interest on PDI during the current and previous financial year.

2 **Investments**

Particulars	As at 31st March 2024	As at 31st March 2023
Value of Investments		
(i) Gross Value of Investments		
(a) In India	1,98,293.20	1,87,878.95
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	(1,207.44)	(1,207.44)
(b) Outside India	-	-
(iii) Net Value of Investments		
(a) In India	1,97,085.75	1,86,671.51
(b) Outside India	-	-

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Particulars	As at 31st March 2024	As at 31st March 2023
Movement of provisions held towards depreciation of investments		
(i) Opening Balance	1,207.44	1,207.44
(ii) Add: Provisions made during the year	-	-
(iii) Less: Write off/write back of excess provisions during the year	-	-
(iv) Closing balance	1,207.44	1,207.44

3 **Derivatives**

3.1 Forward Rate Agreement/Interest Rate Swap

Particulars	As at 31st March 2024	As at 31st March 2023
(i) The notional principal of swap agreements	-	-
(ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	-
(iii) Collateral required by the NBFC upon entering into swaps	-	-
(iv) Concentration of credit risk arising from the swaps $	-	-
(v) The fair value of the swap book @	-	-
$ Examples of concentration could be exposures to particular industries or swaps with highly geared companies		
@ If the swaps are linked to specific assets, liabilities, or commitments, the fair value would be the estimated amount that the NBFC would receive or pay to terminate the swap agreements as on the balance sheet date		

3.2 Exchange Traded Interest Rate (IR) Derivative

Particulars	As at 31st March 2024	As at 31st March 2023
(i) Notional principal amount of exchange traded IR derivatives undertaken during the year	-	-
(ii) Notional principal amount of exchange traded IR derivatives outstanding	-	-
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	-	-
(iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective"	-	-

3.3 Disclosure on risk exposure in derivatives

(A) Qualitative Disclosure

The company's hedge accounting practice only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS. Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exist between the hedged item and hedging instruments. The company enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item and so a qualitative and quantitative assessment of effectiveness is performed.

(B) Quantitative Disclosure

Particulars	As at 31st March 2024	As at 31st March 2023
(i) Derivatives (Notional Principal Amount)	35,288.11	-
(ii) Marked to Market Positions		
(a) Assets (+)	-	-
(b) Liability (-)	(231.18)	-
(iii) Credit Exposure	-	-
(iv) Unhedged Exposures	-	-

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4 **Securitisation & Assignment transactions**

4.1 The Company did not undertake any securitisation transactions during the year (March 31, 2023 : Nil).

4.2 Details of assignment transactions undertaken:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
i) Total number of loan assets assigned during the year (Nos)	2,998	-
ii) Book value of loan assets assigned during the year including MRR	23,782.22	-
iii) Sale consideration received during the year	21,404.00	-

4.3 Disclosure pursuant to (Transfer of Loan Exposures) Reserve Bank of India Circular No. RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021:

(i) Details of assignment transactions in respect of loans not in default

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Count of Loan accounts assigned (Nos)	2,998	-
Amount of loan accounts assigned	21,404.00	-
Weighted average maturity (in months)	72	-
Weighted average holding period (in months)	12	-
Retention of beneficial economic interest (%)	10%	-
Coverage of tangible security coverage (%)	100%	-
Rating-wise distribution of rated loans	Unrated	-
Break-up of loans transferred / acquired through assignment / novation and loan participation	Only assignment	-
Instances where we have agreed to replace loans transferred to transferee(s) or pay damages arising out of any representation or warranty	Nil	-

(ii) The Company has neither acquired nor transferred stressed loans during the year and the previous year. Loans not in default have not been acquired during the year and the previous year.

5 **Asset Liability Management (Maturity pattern of certain items of Assets & Liabilities)**

March 31, 2024

Description	1 to 7 days	8 to 14 days	15 days to 30/31 days	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month & up to 6 month	Over 6 Month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Advances	1,97,514.98	15,304.25	35,950.44	68,052.26	55,864.56	1,94,192.47	14,02,624.90	40,487.59	32,284.41	99,229.15	21,81,505.08
Investments	5,279.04	-	-	-	-	-	997.61	-	275.38	1,90,533.72	1,97,085.75
Borrowings	1,45,539.73	19,246.39	14,780.11	9,557.92	67,292.54	1,48,922.07	7,64,204.09	5,16,182.28	1,34,622.08	1,06,006.99	19,77,554.19
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	2,778.00	44,915.29	6,500.00	-	-	-	-	-	54,193.29

March 31, 2023

Description	1 to 7 days	8 to 14 days	15 days to 30/31 days	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month & up to 6 month	Over 6 Month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Advances	1,91,926.79	16,734.66	41,575.23	1,04,093.49	1,36,409.60	6,01,793.91	5,79,151.52	16,723.45	1,371.06	35,073.47	17,25,051.20
Investments	-	-	1,921.59	-	-	-	997.61	168.86	-	1,83,583.53	1,86,671.51
Borrowings	1,63,067.75	22,366.13	77,420.09	34,715.62	1,24,614.44	1,56,601.03	5,71,358.62	3,89,436.82	1,16,609.70	1,06,127.25	17,82,317.46
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-

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6 Exposures

Exposure to Real Estate Sector

Category	As at 31st March 2024	As at 31st March 2023
a. Direct Exposure		
i. Residential Mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented (including non-fund based (NFB) limits).	1,61,034.08	37,590.47
ii. Commercial Real Estates		
Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction etc.) (including non- fund based (NFB) limits)	-	-
iii. Investments in Mortgage Backed Securities (MBS) and other securitised exposures		
a. Residential	-	-
b. Commercial Real Estate	-	-

Category	As at 31st March 2024	As at 31st March 2023
b. Indirect exposure		
(i) Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	19,486.37	16,986.37
(ii) Others	26,119.76	45,119.93
Total Exposure to Real Estate Sector	**2,06,640.21**	**99,696.77**

Exposure to Capital Market

Category	As at 31st March 2024*	As at 31st March 2023*
(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;	40,131.46	1,646.58
(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	-	-

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Category	As at 31st March 2024*	As at 31st March 2023*
(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) underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
(ix) financing to stockbrokers for margin trading	-	-
(x) all exposures to Venture Capital Funds (both registered and unregistered)	-	-
(xi) all exposures to Alternative Investment Funds:		
(i) Category I	-	-
(ii) Category II	-	-
(iii) Category III	158.41	371.12
Total Exposure to Capital Market	**40,289.87**	**2,019.70**

*₹ in crore

Sectoral Exposure

Sectors	As at 31st March 2024			As at 31st March 2023		
	Total Exposure	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
Agriculture and allied activities	-	-	0.00%	-	-	0.00%
MSME	1,81,347.15	4,873.53	2.69%	51,538.59	11,197.95	21.73%
Corporate borrowers	28,496.00	12,651.49	44.40%	29,572.39	12,950.82	43.79%
Services	-	-	0.00%	-	-	0.00%
Unsecured personal loans	11,183.63	114.57	1.02%	2,633.88	1,353.39	51.39%
Auto loans	-	-	0.00%	-	-	0.00%
Retail Loans	19,50,206.75	17,506.93	0.90%	16,77,762.63	11,658.77	0.69%

Intra Group Exposure

Particulars	As at 31st March 2024*	As at 31st March 2023*
Total amount of intra-group exposures	55,506.73	68,957.62
Total amount of top 20 intra-group exposures	55,506.75	68,957.62
Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	2.48%	3.75%

*₹ in crore

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7 **Related Party Disclosure**

Nature of relationship	Subsidiaries		Key Management Personnel		Relatives of Key Management Personnel		Entities in which KMP are able to exercise control or have significant influence		Total	
Particulars	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023
Outstanding at the end										
Borrowings										
Deposits	-	-	1,750.00	4,440.00	267.64	695.55	3,584.14	2,952.66	5,601.78	8,088.21
Placement of deposits	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-	-
Investments	-	-	15,000.00	15,000.00	-	-	-	-	15,000.00	15,000.00
Advance for Property Shares	35,289.75	49,740.45	-	-	-	-	217.00	217.00	55,506.75	49,957.45
Others	-	-	-	-	-	-	-	19,000.17	-	19,000.17
Maximum outstanding at the end	266.00	127.79	776.69	776.24	2.14	6.44	1,583.72	3,084.02	4,629.54	3,994.49
Borrowings										
Deposits	-	-	4,365.00	4,440.00	694.64	695.55	3,141.71	2,952.66	8,201.35	8,088.21
Placement of deposits	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	19,900.00	-	-	-	-	-	19,900.00
Transactions during the period	35,289.75	49,740.45	-	-	-	-	217.00	217.00	55,506.75	49,957.45
Interest paid										
Interest received	-	-	221.27	504.84	35.77	71.83	382.07	224.38	639.10	801.05
Auction of Gold Ornaments	-	-	1,800.00	1,364.98	-	-	-	44.49	1,800.00	2,009.47
Commission Received	-	-	-	-	-	-	4,337.03	2,644.20	4,337.03	2,644.20
Professional & Consultancy Charges	574.41	518.80	-	-	-	-	1,466.40	1,309.19	2,040.82	1,827.99
Remuneration Paid	2,009.20	1,635.60	-	-	-	-	2,095.16	2,095.44	4,104.35	3,731.04
Loan repayments received	-	-	7,512.75	6,008.79	106.28	32.37	-	-	7,619.03	6,061.15
Loans Advanced	-	-	-	(19,900.00)	-	-	-	-	-	(19,900.00)
ICD advanced	-	-	-	15,000.00	-	-	-	-	-	15,000.00
ICD repaid	-	-	-	-	-	-	-	7,000.00	-	7,000.00
Purchase of shares of MML	-	-	-	-	-	-	-	(7,000.00)	-	(7,000.00)
Refund received against advance for property	-	-	1,016.43	18,608.52	2,032.87	4,616.48	-	-	3,049.29	23,225.00
Dividend Paid	-	-	-	(1,588.53)	-	(133.87)	(19,000.17)	(3,277.60)	(19,000.17)	(7,000.00)
Investment made in Equity	-	-	18,032.98	1,170.97	2,784.31	180.80	64.17	4.17	20,881.46	1,355.94
Others	2,500.00	-	-	-	-	-	-	-	2,500.00	-
	273.36	140.44	497.36	927.08	(72.91)	(154.10)	1,667.02	1,492.23	2,364.34	2,405.65

8 **Miscellaneous**

Registration obtained from other financial sector regulators
The company has not obtained registrations from any other financial sector regulators during the year.

Disclosure of Penalties imposed by RBI and other regulators
No penalty was imposed on the Company during the year by the RBI and other regulators.

Policy on dealing with Related Party Transactions
The Related Party transactions are entered into complying with the relevant provisions of the Companies Act, 2013.

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

The Company's Long Term Credit Rating by CRISIL stood at CRISIL A+/Stable for FY2023-24 (FY2022-23 - CRISIL A+/Stable). The Long Term Credit Rating by Brickwork stood at BWR A+(outlook stable) for FY2023-24 (FY2022-23 - BWR A+(outlook stable)).

The latest debt-wise Rating of the Company are as below:

Type	Rating (2023-24)	Rating (2022-23)	Date of Rating
Short Term Rating	CRISIL A1+	CRISIL A1+	29/11/2023
	BWR A1+	BWR A1+	26/08/2022
Long Term Rating	CRISIL AA-/Stable	CRISIL AA-/Stable	29/11/2023
Long Term Rating	BWR AA-/Stable	BWR AA-/Stable	26/08/2022
Perpetual Debt Instruments	CRISIL A/Stable	CRISIL A/Stable	29/11/2023
	BWR A+/Stable	BWR A+/Stable	26/08/2022
Subordinate Debt	CRISIL AA-/Stable	CRISIL AA-/Stable	29/11/2023
	BWR AA-/Stable	BWR AA-/Stable	26/08/2022
Non-Convertible Debentures (NCD)	CRISIL AA-/Stable	CRISIL AA-/Stable	29/11/2023
	BWR AA-/Stable	BWR AA-/Stable	26/08/2022
Covered Bond	N.A.	N.A.	NIL
Market Linked Debentures	N.A.	CRISIL PPMLD AA-/Stable	NIL

Remuneration of Directors – Non-Executive Director

The Company has paid INR 750.00 to Mr. Thomas George Muthoot, Non-Executive Director of the Company during the year (March 31, 2023: INR 600.00). Remuneration (other than Sitting Fee) has not been paid to any of the other Non-Executive Directors.

Loans to Directors, Senior Officers and relatives of Directors

Particulars	As at March 31, 2024	As at March 31, 2023
Directors and their relatives	15,000.00	15,000.00
Entities associated with directors and their relatives	-	-
Senior Officers and their relatives	-	-

Considering the nature of business and transactions entered by the Company during the current and previous year, following are having nil disclosure:

(i) Draw down from reserves
(ii) Off-balance sheet SPVs sponsored
(iii) Overseas assets (joint ventures or subsidiaries abroad)
(iv) Financing of parent company products
(v) Postponement of revenue recognition
(vi) Auditors have not expressed modified opinion on the audited financial statements
(vii) Items of income & expenditure of exceptional nature
(viii) Breach in terms of covenants in respect of loans availed by the Company or debt securities issued by the Company including incidence of default
(ix) Divergence in assessed asset classification and provisioning above the RBI prescribed threshold
(X) Details of loans, where moratorium benefit was extended
(xi) Details of restructured accounts
(xii) Default in compliance with the requirements of Companies Act, 2013, including with respect to compliance with accounting and secretarial standards
(xiii) Advances for which intangible securities have been taken as collateral
(xiv) Credit Default Swap contracts
(XV) Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded
(xvi) Unhedged foreign currency exposure

9 **Provisions and Contingencies**

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Break-up of Provision and contingencies in statement of profit and loss		
Provision towards NPA	(5,722.19)	4,170.81
Provisions for depreciation on Investment	-	-
Provision made towards current tax	20,062.43	17,609.54
Provision for Gratuity & Leave Encashment	512.88	124.88
Provision for Standard Assets	(1,003.65)	1,490.89

10 **Additional Disclosures**

10.1. Concentration of Advances

Particulars	As at 31st March 2024	As at 31st March 2023
Total Advances of twenty largest borrowers	28,454.38	28,540.47
Percentage of Advances of twenty largest borrowers to Total Advances of the NBFC	1.31%	1.62%

10.2. Concentration of Exposures

Particulars	As at 31st March 2024	As at 31st March 2023
Total Exposure of twenty largest borrowers / customers	29,238.40	29,321.50
Percentage of Exposure of twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	1.35%	1.66%

10.3. Concentration of NPA's

Particulars	As at 31st March 2024	As at 31st March 2023
Total Exposure to top four NPA accounts	9,340.10	9,340.00

10.4. Sector-wise NPA's

Sector-wise NPAs	Percentage of NPAs to Total Advances in that sector	
	As at 31st March 2024	As at 31st March 2023
Agriculture and allied activities	0.00%	0.00%
MSME	2.69%	21.73%
Corporate borrowers	44.40%	41.79%
Services	0.00%	0.00%
Unsecured personal loans	1.02%	51.39%
Auto loans	0.00%	0.00%
Retail Loans	0.90%	0.69%

10.5. Movement of NPA's

Particulars	As at 31st March 2024	As at 31st March 2023
(i) Net NPAs to Net Advances (%)	0.65%	0.59%
(ii) Movement of NPAs (Gross)		
Opening balance	37,161.13	49,959.29
Additions during the year	2,67,379.71	2,48,215.20
Reductions during the year	2,69,394.34	2,61,013.35
Closing balance	35,146.50	37,161.13

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Particulars	As at 31st March 2024	As at 31st March 2023
(iii) Movement of Net NPAs		
Opening balance	10,221.42	27,190.39
Additions during the year	99,049.74	68,373.27
Reductions during the year	95,342.18	85,342.24
Closing balance	13,928.98	10,221.42
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
Opening balance	26,939.71	22,768.90
Additions during the year	1,68,329.97	1,79,941.93
Write-off / write-back of excess provisions	1,74,052.17	1,75,771.12
Closing balance	21,217.52	26,939.71

10.6. Disclosure of Customer Complaints

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Complaints received by the NBFC from its customers		
1. Number of complaints pending at the beginning of the year	95	39
2. Number of complaints received during the year	14,075	11,148
3. Number of complaints disposed during the year	13,975	11,092
3.1 Of which, number of complaints rejected by the NBFC	*304*	*126*
4. Number of complaints pending at the end of the year	195	95

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Maintainable complaints received by the NBFC from Office of Ombudsman		
5. Number of maintainable complaints received by the NBFC from Office of Ombudsman	93	101
5.1. Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	93	101
5.2. Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	-	2
5.3. Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
6. Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
	March 31, 2024				
Loans and advances related	27	6,652	132.91%	78	-
Online Collection related	18	2,989	28.78%	33	-
Auction related	19	1,606	11.30%	29	-
Process / charges related	-	673	-17.73%	12	-
Service related	8	1,343	93.24%	36	-
Others	23	812	-73.07%	7	-
Total	95	14,075	26.26%	195	-

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Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
March 31, 2023					
Application related	16	2,856	391.00%	27	-
Online Collection related	5	2,321	-1.82%	18	-
Auction related	3	1,443	-31.90%	19	-
Process / charges related	5	818	19.96%	-	-
Service related	-	693	19.01%	8	-
Others	10	3,013	15.56%	23	-
Total	39	11,148	28.52%	95	-

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Independent Auditors' Report

TO

THE MEMBERS OF **MUTHOOT FINCORP LIMITED,**

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying Consolidated Ind AS financial statements of **Muthoot Fincorp Limited ("the Holding Company"), Muthoot Centre, TC No 27/ 3022, Punnen Road, Thiruvananthapuram – 695 001, its subsidiaries(together referred as "Group")** which comprise the Consolidated Balance Sheet as at 31st March, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of changes in equity and the Consolidated Statement of cash flows for the year then ended, including the notes to the Consolidated Ind AS Financial Statements, a summary of significant accounting policies and other explanatory information. [hereinafter referred to as "Consolidated Ind AS Financial Statements"]

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the Consolidated state of affairs of the Group as at 31st March, 2023, and its Consolidated profit including other Comprehensive Income, Consolidated Changes in equity and Consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities 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 Ind AS 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS 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.

For each matter below, our description of how our audit addressed the matter is provided in that context. We have determined the matters described below to be the Key Audit matters to be communicated in our report.

Key Audit Matters	How it's been addressed in Audit
a) Completeness in identification and disclosure of related party transactions in accordance with the applicable reporting framework.	We have accessed the laid down systems and processes of the Holding Company in identifying related party transactions and its ultimate disclosure in the Consolidated Ind AS financial statements in accordance with the applicable reporting framework. We have designed the audit procedures in accordance with the guidelines prescribed in Standard on Auditing (SA 550) to identify the risks of material misstatement arising from an entity's failure to appropriately account for or disclose material related party transactions. We have also reviewed the minutes of meetings of the board of the Holding Company in the course of the audit to identify any transactions that may require disclosure in accordance with the applicable reporting framework.
b) Effectiveness of IT Systems and related controls.	Due to the automated controls and high degree of dependence in information systems, there is a risk that the financial accounting and reporting records may be

	misstated in case of any control lapses in the IT system related controls. We have designed our audit procedures in accordance with the guidelines laid down in the Standard on Auditing (SA 530) and tested the controls in the Information Technology Systems on a sample basis which has an impact on the financial accounting and reporting records. We have also tested on a sample basis the controls related to access management including user rights in passing entries, approval for authorizing entries, authorization for reversing entries, segregation of duties, system password protection, external software/hardware access rights etc. Based on our sample review and audit report issued by other auditors, no material weakness was identified in the IT related systems and controls of the Group.
c) Accuracy, completeness and correctness of accounting and related controls maintained at the entity's branches.	At the branch level, entries related to daily operations are passed. We have addressed this as a key audit matter since any control lapses in the branch level accounting may result in the financial accounting and reporting records of the entity being misstated. We have physically visited the Holding Company's branches on a sample basis to identify and assess the effectiveness of the controls operating at the branch level. We have also tested on a sample basis the independent financial records maintained at the branch level and how the same is considered and incorporated in the Consolidated Ind AS financial statements. We have also assessed and analyzed the internal audit reports and how the major observations are dealt with and its impact on the Holding Company's financial accounting and reporting records. Based on our sample review and audit report issued by auditors of subsidiaries, no major weaknesses were identified.

d) Computation of provision towards impairment of loan assets. As at 31st March 2023, the Group had reported a total impairment loss allowance of Rs. 54,978.75 lakhs (31st March 2022 - Rs 55,626.53 lakhs) A significant degree of judgment is required to determine the timing and amount of Impairment loss allowance to be recognized with respect to loan assets. Based on our risk assessment, the following are the significant judgments and estimates, that impact impairment loss allowance: - Completeness and timing of recognition of default, in accordance with the prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Loan Assets; - Measurement of provision is dependent on the probability of default (PD) and loss given default (LGD) of each category of loan asset. Identification of PD and LGD involves significant judgments and estimates related to forward looking information.	The audit procedures performed for the Holding Company, among others, included: -Considering the board policies and processes for NPA identification and assessing compliance with the RBI norms. -Understanding, evaluating and testing the design and effectiveness of key controls around identification of impaired accounts. -Performing other procedures including substantive audit procedures covering the identification of NPAs such as: ● Reading account statements and related information of the borrowers on a sample basis. ● Performing inquiries with credit and risk departments to ascertain if there were indicators of stress or an occurrence of an event of default in a particular loan account or any product category which needed to be considered as NPA. ● Holding discussions with the management on sectors where there is perceived credit risk and the steps taken to mitigate the risks to identified sectors.

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

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

Our opinion on the Consolidated Ind AS 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 Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and those charged with governance for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Consolidated Ind AS financial statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance, Consolidated changes in equity and Consolidated cash flows of the Group including its Associates and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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 and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS 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 Ind AS 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 Ind AS 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 controls 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 Group has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and its associates and jointly controlled entities 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 Ind AS 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 and its associates and jointly controlled entities to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Ind AS financial statements, including the disclosures, and whether the Consolidated Ind AS 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 and its associates and jointly controlled entities 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 included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Holding Company 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 the subsidiaries, whose financial statements reflect total assets of Rs.10,15,110.04 lakhs as at 31st March, 2023, total revenues of Rs. 1,68,773.18 lakhs and net cash flows amounting to Rs.3,667.35 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements.

(b) This financial statements / financial information has been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit 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;

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other Comprehensive Income), the Consolidated Statement of changes in equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated financial statement;

d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued thereunder.

e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2023 taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies, incorporated in India is disqualified as on 31st March, 2023 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 Group and the operating effectiveness of such controls, refer our separate Report in **"Annexure A"**.

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

i. The Consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts as at 31 March 2023.

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 subsidiaries.

iv. a) The respective Managements of the Holding Company and its subsidiaries, which are Companies incorporated in India, whose financial statements have been audited under the Act, has represented to us and to the other auditors of such subsidiaries that, to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries, to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries, ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective Management of the Holding Company and its subsidiaries, which are Companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries, to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been received by the Holding Company or any of such subsidiaries, from any person or entity, including foreign entity ('Funding Parties") with the understanding, whether recorded in writing or otherwise that the Holding Company or any of such subsidiaries shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us on the Holding Company and that performed by the auditors of the subsidiaries, which are Companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The dividend declared and paid during the year by the Holding Company is in compliance with Section 123 of the Act.

vi. According to the information and explanations given to us and based on the CARO reports issued by us for the Holding Company and on consideration of CARO reports by statutory auditors of subsidiaries included in the consolidated financial statements of the Holding Company to which reporting under CARO is applicable, we report that there are no qualifications/adverse remarks.

For Rangamani & Co., **Chartered Accountants,** **ICAI FRN:003052 S**	**For Krishnan Retna & Associates** **Chartered Accountants,** **ICAI FRN: 001536S**
R. Krishnan **(Partner)** **M.No.025927**	**Retna Kumaran Nair A** **(Partner)** **M.No. 024791**
UDIN: 23025927BGZFXC8493	**UDIN: 23024791BGRXOT8783**
Place: Thiruvananthapuram **Date: 22-05-2023**	**Place: Thiruvananthapuram** **Date: 22-05-2023**

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph 1(f) under 'Report on other Legal and Regulatory Requirements' of the Independent Auditors' Report of even date to the members of Muthoot Fincorp Limited on the Consolidated Ind AS Financial Statements as of and for the year ended 31st March, 2023.

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 March 31, 2023, we have audited the internal financial controls over financial reporting of **Muthoot Fincorp Limited** (hereinafter referred to as "the Holding Company") and its subsidiary companies, which includes internal financial controls over financial reporting of the Company and its subsidiaries.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, 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. These responsibilities include 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.

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies are sufficient and appropriate to provide a basis for our audit opinion on the Group'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 and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Holding Company and its subsidiary companies, 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 March 31,2023 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 in so far as it relates to the subsidiary companies are based solely on the corresponding reports of the auditors of such company.

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

For Rangamani & Co.,
Chartered Accountants,
ICAI FRN:003052 S

R. Krishnan
(Partner)
M.No.025927

UDIN: 23025927BGZFXC8493
Place: Thiruvananthapuram
Date: 22-05-2023

For Krishnan Retna & Associates
Chartered Accountants,
ICAI FRN: 001536S

Retna Kumaran Nair A
(Partner)
M.No. 024791

UDIN: 23024791BGRXOT8783
Place: Thiruvananthapuram
Date: 22-05-2023

Muthoot FinCorp Limited

Consolidated Balance Sheet as at 31st March 2023

(Amount in INR Lakhs, except share data and unless otherwise stated)

Particulars	Note	As at 31st March 2023	As at 31st March 2022
ASSETS			
Financial assets			
Cash and cash equivalents	5	3,35,294.75	3,15,246.43
Bank Balance other cash and cash equivalent	6	57,793.13	41,618.70
Receivables	7		
Trade Receivables		10,349.53	4,319.23
Loans	8	25,72,903.90	22,66,408.66
Investments	9	15,231.46	10,272.71
Other Financial assets	10	15,398.13	14,265.13
Non-financial Assets			
Current tax assets (net)		1,249.67	7,197.71
Deferred tax assets (net)	35	13,547.86	9,959.42
Investment Property	11	26,119.76	30,236.55
Property, Plant and Equipment	12	45,646.57	43,392.79
Intangible assets under development	13	880.25	-
Other Intangible assets	13	1,731.77	1,953.04
Right-of-use assets	14	91,867.68	66,258.57
Other non financial assets	15	25,446.36	31,117.67
Total assets		**32,13,460.81**	**28,42,246.60**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Payables	16		
(I) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises		18.22	6.41
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		535.71	337.28
(II) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises		813.40	79.03
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		4,797.02	5,701.66
Debt Securities	17	4,41,658.04	4,47,341.02
Borrowings (other than debt securities)	18	18,94,542.99	16,01,091.91
Lease Liability	14	1,02,702.92	74,233.11
Subordinated Liabilities	19	2,27,858.69	2,41,026.38
Other Financial liabilities	20	1,01,292.77	91,753.39
Non-financial Liabilities			
Current tax liabilities (net)		2,305.00	58.26
Provisions	21	1,619.57	1,190.56
Deferred tax liabilities (net)	35	6,122.67	3,995.14
Other non-financial liabilities	22	3,475.45	2,316.40
Equity			
Equity share capital	23	19,370.56	19,370.56
Other equity	24	3,53,987.03	2,99,408.96
Equity attributable to equity holders of the parent		3,73,357.59	3,18,779.52
Non-controlling interest		52,360.77	54,336.53
Total Equity		4,25,718.36	3,73,116.05
Total Liabilities and Equity		**32,13,460.81**	**28,42,246.60**

See accompanying notes to the Financial Statements 1 to 4

In terms of our joint report of even date attached

For Rangamani & Co.
Chartered Accountants
Firm Regn. No. 003052S

For Krishnan Retna & Associates
Chartered Accountants
Firm Regn. No. 001536S

For and on behalf of the Board of Directors,

Thomas John Muthoot
Managing Director
DIN: 00011618
Place: Thiruvananthapuram

Thomas George Muthoot
Director
DIN: 00011552
Place: Kochi

CA. Krishnan R
Partner
Membership No.025927
Place: Thiruvananthapuram

CA. Retna Kumaran Nair A
Partner
Membership No.024791
Place: Thiruvananthapuram

Thomas Muthoot
Executive Director and
Chief Financial Officer
DIN: 00082099
Place: Kochi

Sachu Sivas
Company Secretary
Place: Thiruvananthapuram

Date: May 22, 2023

Muthoot FinCorp Limited
Consolidated statement of Profit and Loss for the year ended 31st March 2023
(Amount in INR Lakhs, except share data and unless otherwise stated)

Particulars	Notes	For the year ended 31st March 2023	For the year ended 31st March 2022
Revenue from operations			
Interest income	25	4,82,757.07	4,10,064.31
Dividend income		21.29	17.44
Rental income		469.96	391.43
Fees and commission income		12,845.63	10,189.03
Net Gain on fair value changes	26	11,064.95	8,982.37
Net gain on derecognition of financial instruments under amortised cost category		-	37.53
Sale of service		92.54	86.36
Others	27	5,737.27	5,586.83
Total Revenue from operations		**5,12,988.70**	**4,35,355.30**
Other Income	28	2,143.83	158.05
Total Income		**5,15,132.53**	**4,35,513.34**
Expenses			
Finance costs	29	2,23,251.68	2,07,407.01
Fees and commission expenses		2,252.54	1,443.78
Impairment on financial instruments	30	28,808.90	19,061.91
Employee benefits expenses	31	98,739.11	82,912.41
Depreciation, amortization and impairment	32	21,627.70	23,583.84
Other expenses	33	53,222.07	45,418.18
Total Expenses		**4,27,901.99**	**3,79,827.13**
Profit before tax		**87,230.54**	**55,686.22**
Tax Expense:			
(1) Current tax	36	25,252.16	16,820.60
(2) Deferred tax charge / (credit)	36	(2,663.94)	(2,389.50)
Profit for the year		**64,642.33**	**41,255.11**
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit liabilities		(154.93)	18.33
Net gain / (loss) on equity instruments measured through other comprehensive income		(513.48)	(62.09)
Cost of Hedging		(38.06)	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		177.86	11.63
Subtotal (A)		(528.61)	(32.12)
(i) Items that will be reclassified to profit or loss			
Remeasurement of loan assets		5,488.45	4,491.27
Cash Flow Hedging Reserve		(2.05)	-
(ii) Income tax relating to items that will be reclassified to profit or loss		(1,380.92)	(1,130.45)
Subtotal (B)		4,105.47	3,360.82
Other Comprehensive Income (A+B)		**3,576.86**	**3,328.70**
Total Comprehensive Income for the year		**68,219.18**	**44,583.81**
Profit for the year attributable to			
Equity holders of the parent		58,877.43	39,170.72
Non-controlling interest		5,764.90	2,084.40
Total Comprehensive income for the year, net of tax			
Equity holders of the parent		61,198.89	41,322.42
Non-controlling interest		7,020.30	3,261.39
Earnings per equity share	34		
Basic (INR)		30.40	20.22
Diluted (INR)		29.26	19.60

See accompanying notes to the financial statements 1 to 4

In terms of our joint report of even date attached

For Rangamani & Co.
Chartered Accountants
Firm Regn. No. 003052S

CA. Krishnan R
Partner
Membership No.025927
Place: Thiruvananthapuram

For Krishnan Retna & Associates
Chartered Accountants
Firm Regn. No. 001536S

CA. Retna Kumaran Nair A
Partner
Membership No.024791
Place: Thiruvananthapuram

For and on behalf of the Board of Directors,

Thomas John Muthoot
Managing Director
DIN: 00011618
Place: Trivandrum

Thomas George Muthoot
Director
DIN: 00011552
Place: Kochi

Thomas Muthoot
Executive Director &
Chief Financial Officer
DIN: 00082099
Place: Kochi

Sachu Sivas
Company Secretary
Place: Thiruvananthapuram

Date: May 22, 2023

Muthoot Fincorp Limited
Consolidated cash flow statement for the year ended 31st March 2023
(Amount in Rs. Lakhs, except share data and unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A. Cash flow from operating activities		
Profit before tax	**87,230.54**	**55,686.22**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation on Property, plant and equipment	5,624.89	6,574.74
Depreciation on Right of Use Assets	15,187.34	16,371.61
Depreciation on intangibles	815.47	637.49
Finance Cost	2,23,251.68	2,07,407.01
Dividend Income	(21.29)	(17.44)
Unrealised fair value adjustments	88.79	120.71
Profit on sale of investment	(11,153.74)	(9,103.07)
Profit on sale of PPE/Investment Property	(491.84)	-
Impairment of loan assets	7,850.67	8,575.75
Bad debts written off	23,303.70	10,486.17
Impairment on assets held for sale	336.37	138.38
Ind AS Adjustments for leases	(1,404.17)	(885.32)
Adjustment towards effective interest rate in respect of borrowings	(2,591.26)	(4,172.98)
Share based payments	428.10	119.23
Interest on lease liabilities	10,145.50	6,901.55
Operating Profit Before Working Capital Changes	**3,58,600.74**	**2,98,840.05**
Adjustments for Working capital changes:		
(Increase)/Decrease in trade receivables	(6,030.30)	(1,486.29)
(Increase)/Decrease in Bank balances other than cash and cash equivalents	(237.46)	6,944.08
(Increase)/Decrease in loan assets	(3,18,661.95)	18,667.12
(Increase)/Decrease in other financial assets	(2,109.72)	2,664.11
(Increase)/Decrease in other non financial assets	2,989.46	1,533.21
Increase/(Decrease) in trade and other payables	39.97	3,682.63
Increase/(Decrease) in other financial liabilities	5,076.04	(7,349.45)
Increase/(Decrease) in other non financial liabilities	1,159.05	400.81
Increase/(Decrease) in provisions	583.95	(1,517.30)
Operating profit before tax	**41,409.78**	**3,22,378.97**
Finance Cost Paid	(2,19,302.57)	(1,93,825.32)
Taxes paid	(17,057.38)	(21,999.34)
Net cash used in operating activities	**(1,94,950.17)**	**1,06,554.31**
B. Cash flow from Investing activities		
Sale / Redemption of investments	54,046.60	720.54
Fresh investments made	(82,313.63)	(4,402.58)
Purchase of property, plant and equipment	(9,909.54)	(5,008.82)
Sale of property, plant and equipment & investment property	5,165.00	0.39
Increase in fixed deposit	(14,960.25)	(4,307.52)
Dividend income	21.29	17.44
Net cash used in investing activities	**(47,950.52)**	**(12,980.55)**
C. Cash flow from Financing activities		
Redemption of debt securities	(6,198.72)	(35,218.61)
Funds borrowed	2,95,485.68	1,46,692.17
Decrease in subordinated liability	(12,095.29)	(9,201.75)
Payment of lease liability	(21,067.96)	(19,575.16)
Payment of dividend	(1,355.94)	(11,622.33)
Proceeds from issue of equity shares for ESOP	2,721.58	0.01
Proceeds from issue of preference shares	8,181.25	51,550.57
Proceeds from treasury shares	(2,721.58)	67.94
Net cash flows from financing activities	**2,62,949.00**	**1,22,692.84**
D Net increase in cash and cash equivalents	**20,048.32**	**2,16,266.60**
Net cash and Cash Equivalents at beginning of the year	3,15,246.43	98,979.83
Cash and cash equivalents at 31st March 2023 / 31st March 2022	**3,35,294.75**	**3,15,246.43**

See accompanying notes to the financial statements

In terms of our joint report of even date attached

For Rangamani & Co.
Chartered Accountants
Firm Regn. No. 003052S

CA. Krishnan R
Partner
Membership No.025927
Place: Thiruvananthapuram

For Krishnan Retna & Associates
Chartered Accountants
Firm Regn. No. 001536S

CA. Retna Kumaran Nair A
Partner
Membership No.024791
Place: Thiruvananthapuram

Date: May 22, 2023

For and on behalf of the Board of Directors,

Thomas John Muthoot
Managing Director
DIN: 00011618
Place: Trivandrum

Thomas George Muthoot
Director
DIN: 00011552
Place: Kochi

Thomas Muthoot
Executive Director and
Chief Financial Officer
DIN: 00082099
Place: Kochi

Sachu Sivas
Company Secretary
Place: Thiruvananthapuram

Muthoot FinCorp Limited

Consolidated statement of changes in equity for the year ended 31st March 2023

(Amount in INR Lakhs, except share data and unless otherwise stated)

A. Equity Share Capital

Equity shares of INR 10/- each issued, subscribed and fully paid

Particulars	No. of shares	Amount
Equity shares of INR 10 each issued, subscribed and fully paid		
As at April 1, 2021	**19,37,05,560.00**	**19,370.56**
Issued during the year	-	-
As at March 31, 2022	**19,37,05,560.00**	**19,370.56**
Issued during the year	-	-
As at March 31, 2023	**19,37,05,560.00**	**19,370.56**

B. Other Equity

Particulars	Reserves and Surplus							Other Comprehensive Income				Total attributable to equity holders of the parent	Total non-controlling interest	Total
	Securities Premium Reserve	Statutory Reserve (Pursuant to Section 45-IC of the RBI Act 1934)	Statutory Reserve (Pursuant to Section 29C of the NHB Act 1987)	Retained Earnings	General Reserve	Treasury shares	Employee stock options outstanding	Equity Instruments through Other Comprehensive income	Actuarial valuation of gratuity impact through Other Comprehensive Income	Changes in value of forward element of forward contract / gain/(loss) on hedging instruments	Loan assets through other comprehensive income			
Balance as on 31st March 2021	**38,129.85**	**55,945.97**	**1,668.56**	**1,50,180.30**	**21.42**	**-**	**229.36**	**(1,520.12)**	**(46.46)**	**-**	**2,953.67**	**2,47,562.54**	**36,536.95**	**2,84,099.49**
Profit for the year	-	-	-	39,170.72	-	-	-	-	-	-	-	39,170.72	2,084.40	41,255.12
Other Comprehensive Income (net of taxes)	-	-	-	-	-	-	-	(45.89)	59.73	-	2,137.86	2,151.70	1,177.00	3,328.70
Changes during the year in employee stock options outstanding	-	-	-	67.95	(12.49)	-	131.72	-	-	-	-	187.18	-	187.18
Proceeds on transfer during the year	-	-	-	-	64.70	-	(64.70)	-	-	-	-	-	-	-
Transfer to Reserves u/s. 45-IC of RBI Act, 1934	-	7,884.98	-	(7,884.98)	-	-	-	-	-	-	-	-	-	-
Transfer to Reserves u/s. 29-C of NHB Act, 1987	-	-	400.00	(400.00)	-	-	-	-	-	-	-	-	-	-
Dividend Paid	-	-	-	(11,622.33)	-	-	-	-	-	-	-	(11,622.33)	-	(11,622.33)
Provision for proposed dividend	-	-	-	(0.02)	-	-	-	-	-	-	-	(0.02)	-	(0.02)
Tax relating to prior years	-	-	-	(53.21)	-	-	-	-	-	-	-	(53.21)	-	(53.21)
Proceeds on issue of Compulsorily Convertible Preference Shares	-	-	-	22,031.42	-	-	-	-	-	-	-	22,031.42	14,519.15	36,550.57
Adjustments to NCI	-	-	-	-	(19.03)	-	-	-	-	-	-	(19.03)	19.03	-
Balance as on 31st March 2022	**38,129.85**	**63,830.95**	**2,068.56**	**1,91,489.84**	**54.60**	**-**	**296.38**	**(1,566.01)**	**13.267**	**-**	**5,091.528**	**2,99,408.97**	**54,336.53**	**3,53,745.50**
Profit for the year	-	-	-	58,877.43	-	-	-	-	-	-	-	58,877.43	5,764.90	64,642.33
Other Comprehensive Income (net of taxes)	-	-	-	-	-	-	-	(384.21)	(61.781)	(24.224)	2,791.68	2,321.46	1,255.39	3,576.86
Changes during the year in employee stock options outstanding	-	-	-	-	(6.05)	-	434.17	-	-	-	-	428.13	-	428.13
Proceeds on transfer during the year	-	-	-	(2,721.58)	-	-	-	-	-	-	-	(2,721.58)	-	(2,721.58)
Transfer to Reserves u/s. 45-IC of RBI Act, 1934	-	12,473.97	-	(12,473.97)	-	-	-	-	-	-	-	-	-	-
Transfer to Reserves u/s. 29-C of NHB Act, 1987	-	-	550.00	(550.00)	-	-	-	-	-	-	-	-	-	-
Dividend Paid	-	-	-	(1,355.94)	-	-	-	-	-	-	-	(1,355.94)	-	(1,355.94)
Tax relating to prior years	-	-	-	354.76	-	-	-	-	-	-	-	354.76	-	354.76
Purchase of shares of subsidiary	-	-	-	(3,326.19)	-	-	-	-	-	-	-	(3,326.19)	(19,898.81)	(23,225.00)
Proceeds on issue of Equity shares	-	-	-	-	-	-	-	-	-	-	-	-	2,721.57	2,721.57
Proceeds on issue of Compulsorily Convertible Preference Shares	-	-	-	-	-	-	-	-	-	-	-	-	8,181.19	8,181.19
Balance as on 31st March 2023	**38,129.85**	**76,304.92**	**2,618.56**	**2,30,294.35**	**48.56**	**-**	**730.55**	**(1,950.22)**	**(48.51)**	**(24.22)**	**7,883.21**	**3,53,987.03**	**52,360.77**	**4,06,347.80**

See accompanying notes to the Financial Statements

In terms of our joint report of even date attached

For Rangamani & Co.
Chartered Accountants
Firm Regn. No. 003052S

CA. Krishnan R
Partner
Membership No.025927
Place: Thiruvananthapuram

For Krishnan Retna & Associates
Chartered Accountants
Firm Regn. No. 001536S

CA. Retna Kumaran Nair A
Partner
Membership No.024791
Place: Thiruvananthapuram

For and on behalf of the Board of Directors,

Thomas John Muthoot
Managing Director
DIN: 00011618
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Director
DIN: 00011552
Place: Kochi

Thomas Muthoot
Executive Director and
Chief Financial Officer
DIN: 00082099
Place: Kochi

Sachu Sivas
Company Secretary
Place: Thiruvananthapuram

Date: May 22, 2023

Muthoot FinCorp Limited
Notes forming part of consolidated financial statements

Significant Accounting Policies

1. Corporate Information

Muthoot FinCorp Limited, (the Company), is a Public Limited Company, incorporated on June 10, 1997 under the provisions of Companies Act, 1956. The Company is a Non-Deposit Accepting Non-Banking Financial Company (NBFC) registered with Reserve Bank of India (RBI) and is classified as a Non- Deposit Taking Systematically Important Loan Company (NDSI).

Muthoot FinCorp Limited, the flagship company of the Muthoot Pappachan Group, together with its subsidiaries (collectively, the Group), provides a diverse mix of retail offerings catering to the various needs of its customers and is primarily engaged in business of Gold Loans through its branch network across India. The Group also offers SME Loans, Forex Services, Money Transfer Services and Wealth Management Services to its customers in its strive to be the most trusted financial service provider. The Company is engaged in real estate business to a very limited extent. The Company's registered office is at Muthoot Centre, TC No.14/2074-7, Punnen Road, Thiruvananthapuram, Kerala, India.
The Registration details of the Company are as follows:
Corporate Identity Number (CIN): U65929KL1997PLC011518
Reserve Bank of India Registration no.: N - 16.00170

The Company has 3 subsidiaries, Muthoot Housing Finance Company Limited (or "MHFCL" or "Muthoot Housing"), Muthoot Pappachan Technologies Limited (or "MPT") and Muthoot Microfin Limited (or "MML" or "Muthoot Microfin") (formerly known as Pancharatna Securities Limited), which are incorporated in India.

Muthoot Housing Finance Company Limited (MHFCL) is a public company domiciled in India and incorporated under provision of the Companies Act, 1956 having Corporate Identity Number (CIN) - U65922KL2010PLC025624, registered with the National Housing Bank ("NHB") under Section 29 A of the National Housing Bank Act, 1987 and primarily engaged in housing finance activities. The company was incorporated on 05th March 2010, and received the Certificate of Registration from the NHB on 11th February 2011, enabling the company to carry on business as a Housing Finance Company without accepting Public Deposits. The Company received its Certificate of Commencement of Business on 1st June 2011.

Muthoot Pappachan Technologies Private Limited (MPT) having Corporate Identity Number (CIN) - U72200KL2012PLC032664 was initially registered as a Private Limited Company on 16th November 2012. Later, it was converted to Muthoot Pappachan Technologies Limited on 5th July 2013. Based in the Technopark campus at Thiruvananthapuram, the company provides consulting-led integrated portfolio of Information Technology (IT) and IT enabled services to its clients. The company in short, aims at providing software solution as service to its customers.

Muthoot Microfin Limited (MML) was incorporated as a Private Limited Company in the year 1992 under the erstwhile Companies Act, 1956 having Corporate Identity Number (CIN) - U65922KL2010PLC025624. Effective from 18 March 1998, the Company was registered as a non-deposit accepting Non-Banking Financial Company (NBFC-ND) under the rules and regulations framed by the Reserve Bank of India. The company has obtained registration under the category of Non-Banking Financial Company – Micro Finance Institutions (NBFC-MFI) w.e.f. 25 March 2015. The operations of the Company are based on the Grameen model of lending. It is designed to promote entrepreneurship among women and inclusive growth. The Company provides financial assistance through micro loans to women engaged in small income generating activities.

2. Basis of preparation

2.1 Statement of Compliance

The consolidated financial statements (CFS) 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) and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act, the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions') issued by RBI and National Housing Bank Guidelines/Regulations ('NHB directions') and notification for Implementation of Indian Accounting Standard vide circular RBI/2019-20/170 DOR(NBFC).CC.PD. No.109/22.10.106/2019-20 dated 13 March 2020 ('RBI Notification for Implementation of Ind AS') issued by RBI to the extent applicable.

The financial statements are prepared on a going concern basis, as the Management is satisfied that the Group shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption.

2.2 Presentation of financial Statements

The Group presents its Balance Sheet in order of liquidity. The Group prepares and presents its Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the format prescribed by Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 'Statement of Cash Flows'.

The Group generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only when Ind AS specifically permits the same or it has an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event. Similarly, the Group offsets incomes and expenses and reports the same on a net basis when permitted by Ind AS specifically unless they are material in nature.

2.3 Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Parent Company and all its subsidiaries, being the entities that it controls from the date control is gained. Control is evidenced where the investor 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. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity's returns. The financial statements of subsidiaries are prepared for the same reporting year as the Parent Company. Where necessary, adjustments are made to the financial statements of subsidiaries to align the accounting policies in line with accounting policies of the Parent Company.

These consolidated financial statements are prepared on the following basis in accordance with Ind AS 110 on "Consolidated Financial Statements" specified under Section 133 of the Act. Following subsidiary companies have been considered in the preparation of the consolidated financial statements:

Name of the Company	Country of incorporation	Consolidated as	% equity shareholding of MFL (Current Year)	% equity shareholding of MFL (Previous Year)
Muthoot Housing Finance Company Limited	India	Subsidiary	80.66%	80.66%
Muthoot Pappachan Technologies Limited	India	Subsidiary	60.00%	60.00%
Muthoot Microfin Limited	India	Subsidiary	72.36%	63.61%

i) **Subsidiaries**
Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which controls commences until the date on which control ceases.

ii) **Non-controlling interest ("NCI")**
NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iii) **Loss of control**

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other component of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in the statement of profit and loss.

iv) Transactions eliminated on consolidation

The financial statements of the Holding Company and its subsidiary used in the consolidation procedure are drawn up to the same reporting date i.e. March 31, 2023. The financial statements of the Holding Company and its subsidiary are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses. Intra-group balances and transactions, and unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment. The Group follows uniform accounting policies for like transactions and other events in similar circumstances. For additional information as required by Paragraph 2 of the General Instructions for preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013, refer Note 50.

2.4 Basis of measurement

The financial statements have been prepared on a historical cost basis, except for following assets and liabilities which have been measured at fair value:

i) Investments in equity instruments at fair value through other comprehensive income (FVOCI)
ii) Financial assets and liabilities designated at fair value through profit or loss (FVTPL)
iii) Financial assets measured at fair value through other comprehensive income (FVOCI)
iv) Investments which are held for trading
v) Assets held for sale are measured at fair value less cost to sell or carrying value whichever is lower
vi) Defined benefit plans.
vii) Derivative Financial Instruments

2.5 Functional and presentation currency

The financial statements are presented in Indian Rupees (INR) which is also functional currency of the Group and the currency of the primary economic environment in which the Group operates. All values are rounded to the nearest lakhs, except when otherwise indicated.

3. Significant accounting policies

3.1 Recognition of 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.

3.2 . Recognition of revenue from sale of goods and services

Revenue (other than for financial instruments) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

The Group recognises revenue from contracts with customers based on a five-step model as set out in Ind 115:

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

Revenue from contract with customer for rendering services is recognised at a point in time when performance obligation is satisfied.

3.2.1 Dividend income

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

3.2.2 Income from assignment transactions

Income from assignment transactions i.e., present value of excess interest spread is recognised when the related loan assets are de-recognised. Interest income is also recognised on carrying value of assets over the remaining period of such assets.

3.2.3 Rental Income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in rental income in the statement of profit and loss, unless the increase is in line with expected general inflation, in which case lease income is recognised based on contractual terms.

3.2.4 Fees and commission income

Fees and commission income such as service charges, commission from fee-based business lines, service income etc. are recognised on point in time basis.

3.2.5 Miscellaneous Income

All other income is recognized on an accrual basis, when there is no uncertainty in the ultimate realization/collection.

3.3 Financial instruments

A. Financial Asset

3.3.1 Initial recognition

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Loans are recognised when funds are transferred to the customers' account. Investments are recognised on the date when the Company becomes party to the contractual provisions. The Group recognises debt securities, deposits and borrowings when funds reach the Group and post allotment, where applicable.

3.3.2 Initial and subsequent measurement of financial instruments

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

1. Debt instruments at amortised cost
2. Debt instruments at fair value through other comprehensive income (FVTOCI).
3. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL).
4. Equity instruments measured at fair value through other comprehensive income FVTOCI.

The classification depends on the contractual terms of the financial assets' cash flows and the Group's business model for managing financial assets which are explained below:

Business model assessment

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 Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed
- How managers of the business are compensated (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 sales are also important aspects of the Group's assessment.
- The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The SPPI test

As a second step of its classification process, the Group assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

In making this assessment, the 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.

3.3.3 Financial assets measured at amortised cost

A 'debt instrument' is measured at amortised cost if both the following conditions are met:

a. The financial asset is held within a business model with the objective to hold financial assets to collect contractual cash flows and

b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement at fair value plus directly attributable costs, these financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the profit or loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in statement of profit and loss.

3.3.4 Financial assets measured at fair value through other comprehensive income

A 'debt instrument' is measured at fair value through other comprehensive income if both the following conditions are met:

a. The financial asset is held within a business model with the objective to hold financial assets to collect contractual cash flows and selling the assets and

b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

Debt instruments included within the FVOCI category are measured at each reporting date at fair value with such changes being recognised in other comprehensive income (OCI). The interest income on these assets is recognised in profit or loss. 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 income statement.

3.3.5 Financial Instrument measured at fair value through profit or loss

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVOCI criteria may be designated as at FVTPL upon initial recognition, if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Group's investment is classified as FVTPL, if it is acquired or incurred principally for the purpose of 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.

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

3.3.6 Equity instruments

The Group subsequently measures investment in equity investments at fair value through profit or loss, unless the Group's management has elected to classify irrevocably some of its equity investments as equity instruments at FVOCI, when such instruments meet the definition of definition of Equity under Ind AS 32 *Financial Instruments*: *Presentation* and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments classified at FVOCI are never recycled to profit or loss. Dividends are recognised in profit or loss as dividend income when the right of the payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI.

B. Financial Liabilities

Initial recognition and measurement

All financial liabilities are initially recognised at fair value. Transaction cost that are directly attributable to the acquisition or the issue of financial liability, which are not at fair value through profit or loss, are adjusted to fair value at initial recognition.

Subsequent measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

3.4 Derecognition of financial assets and liabilities

3.4.1 Financial Asset

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Group has transferred the financial asset if, and only if, either:

a) The Group has transferred its contractual rights to receive cash flows from the financial asset
or

b) It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement

Pass-through arrangements are transactions whereby the Group retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- The Group cannot sell or pledge the original asset other than as security to the eventual recipients
- The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Group has transferred substantially all the risks and rewards of the asset

  or

- The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

3.4.2 Financial Liability

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

3.5 Offsetting

Financial assets and financial liabilities are generally reported gross in the balance sheet. Financial assets and liabilities are offset, and the net amount is presented in the balance sheet when the Group has a legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously in all the following circumstances:

a. The normal course of business
b. The event of default
c. The event of insolvency or bankruptcy of the Group and/or its counter parties.

3.6 Impairment of financial assets

3.6.1 Overview of the Expected Credit Loss (ECL) principles

The Group has created provisions on all financial assets except for financial assets classified as FVTPL, based on the expected credit loss method. The Group also ensures maintaining the minimum provision requirement as per RBI and NHB regulations.

The ECL provision is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on financial assets that are possible within the 12 months after the reporting date.

The Group performs an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Group categorises its loans into three stages as described below:

<u>For non-impaired financial instruments</u>

- Stage 1 is comprised of all non-impaired financial instruments which have not experienced a significant increase in credit risk (SICR) since initial recognition. A 12-month ECL provision is made for stage 1 financial instruments. In assessing whether credit risk has increased significantly, the Group compares the risk of a default occurring on the financial instrument as at the reporting date, with the risk of a default occurring on the financial instrument as at the date of initial recognition.

- Stage 2 is comprised of all non-impaired financial instruments which have experienced a SICR since initial recognition. The Group recognises lifetime ECL for stage 2 financial instruments. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a SICR since initial recognition, then entities recognize 12 months of ECL.

<u>For impaired financial instruments:</u>

Financial instruments are classified as stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a loan or a portfolio of loans. The Group recognises lifetime ECL for impaired financial instruments.

3.6.2 The calculation of ECLs

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon.

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. PD is calculated using Incremental NPA approach considering fresh slippage using historical information.

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

Loss Given Default (LGD) – The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive.

Forward looking information

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

Write-offs

Loans are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when it is determined that the customer 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.

Collateral

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as gold, cash, securities, letters of credit/guarantees, stock, current asset etc. However, the fair value of collateral affects the calculation of ECLs. The fair value of the same is based on data provided by third party or management judgements.

Impairment of Trade receivables

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables.

3.7 Determination of fair value

The Group measures financial instruments, such as, investments at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability, or
ii. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, if market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which enough data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments − Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments − Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Group will classify the instruments as Level 3.

Level 3 financial instruments − Those that include one or more unobservable input that is significant to the measurement as whole.

3.8 Foreign Currency translation

Transactions in foreign currencies are initially recorded in the functional currency at the spot rate of ex-change ruling at the date of the transaction. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the spot rate of exchange at the reporting date. All differences arising on non–trading activities are taken to other income/expense 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.

3.9 Finance cost

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

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

3.10 Other income and expenses

All Other income and expense are recognized in the period they occur.

3.11 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, short-term deposits with an original maturity of three months or less and forex balances, which are subject to an insignificant risk of changes in value.

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

3.12 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.

3.13 Depreciation

Tangible assets are stated at historical cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is charged based on a review by the management during the year and at the rates derived based on the useful lives of the assets as specified in Schedule II of the Companies Act, 2013 or estimated useful lives estimated by the respective management based on technical evaluation. The holding company and one of its subsidiaries, Muthoot Microfin Limited follow the Straight Line Method for providing depreciation whereas the two other subsidiaries follow Written Down Value Method.

Leasehold improvements and assets held under finance leases are depreciated over the shorter of lease term or their useful life. 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.

3.14 Capital work-in-progress

Capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses. Assets which are not ready for intended use are also shown under capital work-in-progress.

3.15 Intangible assets

The Group's intangible assets consist of computer software.

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.

Intangible assets are amortised by the Group over a period of 3 years, except in case of Muthoot Pappachan Technologies Limited where the computer software is amortised over a period of 10 years or over the estimated useful lives.

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.

3.16 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. Subsequent expenditure is capitalized to the assets carrying amount only when it is probable that the future economic benefit associated with the expenditure will flow to the Group.

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. The fair value of investment property is disclosed in the notes accompanying these financial statements. Fair value has been determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

3.17 Impairment of non-financial assets

The Groups assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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 the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.18 Post-employment benefits

3.18.1 Defined contribution schemes

Contributions to the Employees Provident Fund Scheme maintained by the Central Government, Employee State Insurance Corporation (ESIC) etc. are accounted for on an accrual basis. Retirement benefit in the form of provident fund is a defined contribution scheme.

The Group has no obligation, other than the contribution payable under the schemes. The Group recognizes contribution payable to the provident fund scheme / ESIC as expenditure, when an employee renders the related service. If the contribution payable to the scheme / ESIC for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized 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 recognized as an asset.

3.18.2 Defined Benefit schemes

Gratuity

The Group provides for gratuity covering eligible employees under which a lump sum payment is paid to vested employees at retirement, death, incapacitation or termination of employment, of an amount reckoned on the respective employee's salary and his tenor of employment with the Group. The Group accounts for its liability for future gratuity benefits based on actuarial valuation determined at each Balance Sheet date by an Independent Actuary using Projected Unit Credit Method. The Group makes contributions to a Gratuity Fund administered by the Life Insurance Corporation of India.

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

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

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

3.19 Share Based Payments

The Group has formulated Employees Stock Option Schemes and Stock Appreciation Right Schemes (SAR). The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in non-financial liability and the fair value of SAR granted is recognized as an employee benefit expense having a corresponding increase in financial liability. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the group revises its estimates of the number of options that are expected to vest.

3.20 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.

3.21 Assets held for sale

Assets possessed against the settlement of loans are carried in the balance sheet at a value of outstanding principal loan amount or fair value of asset whichever is lower. In case the fair value of the asset acquired is lower than the outstanding principal loan amount; then the shortfall is to be provided for in the books of account in such financial year.

These assets are classified as 'Assets held for sale' under 'Non-financial assets' till the asset acquired is finally disposed. The outstanding overdue interest and other charges will be accounted on realization basis.

Further, if on disposal of the assets so acquired, the sale proceed is higher than the receivable amount (including outstanding loan, outstanding overdue interest, other charges and interest), then the excess will be refunded to the borrowers.

3.22 Taxes

Income tax expense represents the sum of current tax and deferred tax.

3.22.1 Current Tax

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible in accordance with applicable tax laws.

Interest income / expenses and penalties, if any, related to income tax are included in current tax expense. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the end of reporting date in India where the Group operates and generates taxable income.

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

3.22.2 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.

3.22.3 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.

3.23 Contingent Liabilities and assets

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

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

3.24 Earnings 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 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.

3.25 Dividends on ordinary shares

The Group recognises a liability to make distributions to equity holders of the Group when the distribution is authorised, and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

3.26 Leases

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.

Group as a lessee
The Groups lease asset class consists of building, equipment and vehicles. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group has, at the date of transition, recognized a right-of use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term lease) and low value assets. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are recognized at cost, which comprises the present value of the lease liability as at the date of transition. Right-of-use assets are depreciated on a straight-line basis over the shorter of the balance lease term and useful life of the underlying asset. The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit on the lease or, if not readily determinable, using the incremental borrowing rates. Interest accrued on lease liability and lease payments made, are subsequently adjusted to the initial recognition of lease liability.

Group as a lessor
Leases where the Group does not transfer substantially all the risks and benefits incidental to ownership of the leased items are operating leases. Rental Income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in rental income in the statement of profit and loss.

3.27 Cash flow statement

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Group are segregated.

3.28 Derivative Financial Instruments

The Group enters into derivative financial instruments such as foreign exchange forward contracts to manage its exposure to foreign exchange rate risk. Derivatives are initially recognized at fair value on the date when a derivative contract is entered into and are subsequently remeasured to their fair value at each Balance Sheet date and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The resulting gain/loss is recognized in the Statement of Profit and Loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedge relationship. The Group has designated the derivative financial instruments as cash flow hedges of recognized liabilities and unrecognized firm commitments.

3.29 Hedge Accounting

In order to manage particular risks, the Group applies hedge accounting for transactions that meet specific criteria. At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship and the risk management objective and strategy for undertaking the hedge. Such hedges are expected to be highly effective if the hedging instrument is offsetting changes in fair value or cashflows of the hedged item attributable to the hedged risk. The assessment of hedge effectiveness is carried out at inception and on an ongoing basis to determine that the hedging relationship has been effective throughout the financial reporting periods for which they were designated.

3.30 Cash Flow Hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit and loss. For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognized directly in Other Comprehensive Income (OCI) within equity (cash flow hedging reserve). The ineffective portion of the gain or loss on the hedging instrument is recognized immediately in the Statement of Profit and Loss. When the hedged cash flow affects the Statement of Profit and Loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the Statement of Profit and Loss. When a hedging instrument is expired, sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognized in OCI at that time remains in OCI and is recognized when the hedged forecast transaction is ultimately recognized in the Statement of Profit and Loss. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the Statement of Profit and Loss.

4. 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:

4.1 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 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.

4.2 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 at each reporting date.

4.3 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.

4.4 Impairment of financial assets

The measurement of impairment losses across all categories of financial assets requires judgement 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 several 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.

4.5 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 lifecycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

4.6 Lease Term

- The determination of lease term for some lease contracts in which the Group is a lessee, including whether the Group is reasonably certain to exercise lessee options.
- The determination of the incremental borrowing rate used to measure lease liabilities.

4.7 Share based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

4.8 Other estimates

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

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(Amount in INR Lakhs, except share data and unless otherwise stated)

5 Cash and cash equivalents

Particulars	As at 31st March 2023	As at 31st March 2022
Cash on hand	9,563.12	9,404.61
Balances with Banks		
- in current accounts	1,40,590.57	2,03,411.92
- in deposit accounts having original maturity less than three months	1,84,398.46	1,01,884.07
Others		
-Forex Balance	162.52	59.94
-Balance with cash collection agents	580.08	485.90
Total	**3,35,294.75**	**3,15,246.43**

6 Bank Balance other than cash and cash equilvalents

Particulars	As at 31st March 2023	As at 31st March 2022
Deposit with original maturity for more than three months but less than twelve months	50,786.25	34,849.28
Balance with Banks in escrow accounts	7,006.88	6,769.42
Total	**57,793.13**	**41,618.70**

7 Receivables

Particulars	As at 31st March 2023	As at 31st March 2022
(I) Trade Receivables		
Receivables considered good - Unsecured		
Receivables from Money Transfer business	837.00	847.35
Wind Mill income receivable	2,241.65	1,748.85
Other Trade Receivables	7,270.88	1,723.04
Sub-Total	**10,349.53**	**4,319.23**
Less: Allowances for Impairment Loss	-	-
Total Net receivable	**10,349.53**	**4,319.23**

Trade receivables are non-interest bearing and are short-term in nature. These consist of receivable from Government and other parties, and does not involve any credit risk.

Ageing Schedule of Trade Receivables (At at 31st March,2023)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables- considered good	8,036.54	666.10	991.38	514.97	140.54	10,349.53
(ii) Undisputed Trade Receivables- which have signficant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-
(iv)Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have signficant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-

Ageing Schedule of Trade Receivables (At at 31st March,2022)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables- considered good	2,467.70	719.36	1,087.64	32.90	6.55	4,314.15
(ii) Undisputed Trade Receivables- which have signficant increase in credit risk	-	-	5.08	-	-	5.08
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-
(iv)Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have signficant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-

8 Loans

Particulars	As at 31st March 2023	As at 31st March 2022
Loans (at amortised cost)		
(A)		
Retail Loans	22,36,223.69	19,47,943.42
High Value Loans	29,572.39	34,191.91
Staff Loan	78.11	99.67
Housing loans & other loans	1,46,503.52	1,27,747.49
Total (A) - Gross	**24,12,377.71**	**21,09,982.49**
Less: Impairment loss allowance	(53,840.57)	(50,467.89)
Total (A) - Net	**23,58,537.14**	**20,59,514.60**
(B)		
Secured loans	19,08,181.72	18,59,653.08
Unsecured Loans	5,04,195.99	2,50,329.40
Total (B) - Gross	**24,12,377.71**	**21,09,982.49**
Less : Impairment loss allowance	(53,840.57)	(50,467.89)
Total (B) - Net	**23,58,537.14**	**20,59,514.60**
(C) Loans in India		
i) Public Sector	-	-
ii) Others	24,12,377.71	21,09,982.49
Total (C) Gross	**24,12,377.71**	**21,09,982.49**
Less: Impairment Loss Allowance	(53,840.57)	(50,467.89)
Total (C) Net	**23,58,537.14**	**20,59,514.60**
Loans (at FVOCI)		
(A)		
Other Loans	2,15,504.94	2,12,052.70
Total (A) - Gross	**2,15,504.94**	**2,12,052.70**
Less: Impairment loss allowance	(1,138.18)	(5,158.64)
Total (A) - Net	**2,14,366.76**	**2,06,894.06**
(B)		
Secured loans	-	-
Unsecured Loans	2,15,504.94	2,12,052.70
Total (B) - Gross	**2,15,504.94**	**2,12,052.70**
Less : Impairment loss allowance	(1,138.18)	(5,158.64)
Total (B) - Net	**2,14,366.76**	**2,06,894.06**

(C) Loans in India		
i) Public Sector	-	-
ii) Others	2,15,504.94	2,12,052.70
Total (C) Gross	**2,15,504.94**	**2,12,052.70**
Less: Impairment Loss Allowance	(1,138.18)	(5,158.64)
Total (C) Net	**2,14,366.76**	**2,06,894.06**
Total Loans (Net)	**25,72,903.90**	**22,66,408.66**

The Group undertakes co-lending arrangements with banks for Gold loans. A total disbursement of INR 3,40,362.20 (31st March, 2022 - INR 4,91,842.74) was undertaken during the year under the co-lending mechanism. As at 31st March, 2023, the total managed assets under the co-lending mechanism amounted to 1,15,378.42 (INR 1,36,210.74 as at 31st March, 2022).

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(Amount in INR Lakhs, except share data and unless otherwise stated)

Note 8 continued

Disclosures on Credit quality and analysis of ECL allowance of the company and its subsidiaries

Muthoot FinCorp Limited
The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 43 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 43

Particulars	As at 31st March 2023				As at 31st March 2022			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Internal rating grade								
Performing								
High grade	15,47,599.04	-	-	15,47,599.04	14,64,411.42	-	-	14,64,411.42
Standard grade	68,730.70	-	-	68,730.70	1,00,780.13	-	-	1,00,780.13
Sub-standard grade	-	72,625.47	-	72,625.47	-	69,190.90	-	69,190.90
Past due but not impaired	-	35,391.15	-	35,391.15	-	47,971.74	-	47,971.74
Non- performing								-
Individually impaired	-	-	37,161.13	37,161.13	-	-	49,959.29	49,959.29
Total	**16,16,329.75**	**1,08,016.61**	**37,161.13**	**17,61,507.49**	**15,65,191.55**	**1,17,162.63**	**49,959.29**	**17,32,313.47**

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

Particulars	As at 31st March 2023				As at 31st March 2022			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount opening balance	15,65,191.55	1,17,162.63	49,959.29	17,32,313.47	16,37,207.99	1,95,771.56	35,958.45	18,68,937.99
New assets originated or purchased	43,34,393.64	-	-	43,34,393.64	40,89,066.60	-	-	40,89,066.60
Assets derecognised or repaid (excluding write offs)	(36,67,625.20)	(3,76,561.05)	(2,59,958.04)	(43,04,144.30)	(30,54,553.21)	(6,72,673.57)	(4,98,464.33)	(42,25,691.12)
Assets written off during the period	-	-	(1,055.32)	(1,055.32)	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	(4,34,456.12)	4,34,456.12	-	-	(6,99,565.86)	6,99,565.86	-	-
Transfers to Stage 3	(1,81,174.12)	(67,041.08)	2,48,215.20	-	(4,06,963.97)	(1,05,501.21)	5,12,465.17	-
Gross carrying amount closing balance	**16,16,329.75**	**1,08,016.61**	**37,161.13**	**17,61,507.49**	**15,65,191.55**	**1,17,162.63**	**49,959.29**	**17,32,313.47**

Reconciliation of ECL balance is given below:

Particulars	As at 31st March 2023				As at 31st March 2022			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
ECL allowance - opening balance	7,187.86	835.83	22,768.90	30,792.59	5,921.14	697.92	17,020.78	23,639.85
New assets originated or purchased	24,153.35	-	-	24,153.35	18,778.31	-	-	18,778.31
Assets derecognised or repaid (excluding write offs)	(18,903.65)	(2,813.53)	(1,74,715.80)	(1,96,432.98)	(12,430.05)	(4,100.09)	(2,27,807.41)	(2,44,337.55)
Assets written off during the period	-	-	(1,055.32)	(1,055.32)	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	(2,421.00)	2,421.00	-	-	(3,212.63)	3,212.63		-
Transfers to Stage 3	(1,009.59)	(315.05)	1,324.64	-	(1,868.91)	(752.63)	2,621.54	-
Impact on year end ECLs of exposures transferred between stages during the year	-	379.36	1,78,617.30	1,78,996.65	-	1,777.99	2,30,933.98	2,32,711.97
ECL allowance - closing balance	**9,006.98**	**507.60**	**26,939.71**	**36,454.29**	**7,187.86**	**835.83**	**22,768.90**	**30,792.59**

Muthoot Microfin Limited
The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 43 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 43

Particulars	As at 31st March 2023				As at 31st March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
High grade	-	-	-	-	-	-	-	-
Standard grade	6,94,088.21	4,366.72	-	6,98,454.92	4,06,650.15	26,422.34	-	**4,33,072.49**
Sub-standard grade	-	-	21,415.35	21,415.35	-	-	28,900.12	**28,900.12**
Past due but not impaired	-	-	-	-	-	-	-	-
Non- performing	-	-	-					
Individually impaired	-	-	-	-	-	-	-	-
Total	**6,94,088.21**	**4,366.72**	**21,415.35**	**7,19,870.27**	**4,06,650.15**	**26,422.34**	**28,900.12**	**4,61,972.61**

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

Particulars	As at 31st March 2023				As at 31st March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	4,06,650.15	26,422.34	28,900.12	**4,61,972.61**	3,08,901.72	15,665.15	25,890.90	**3,50,457.78**
New assets originated or purchased	7,90,780.78	1,273.33	348.70	**7,92,402.81**	4,57,962.95	2,380.36	544.48	**4,60,887.78**
Assets derecognised or repaid (excluding write offs)	(4,99,579.40)	(26,245.02)	(140.97)	**(5,25,965.39)**	(3,33,089.67)	(6,684.94)	(6,711.75)	**(3,46,486.37)**
Transfers to Stage 1	293.55	(290.39)	(3.16)	**-**	4,660.61	(4,615.10)	(45.51)	**-**
Transfers to Stage 2	(3,789.25)	3,792.94	(3.69)	**-**	(25,669.64)	25,708.37	(38.73)	**-**
Transfers to Stage 3	(5,755.99)	(586.48)	6,342.47	**-**	(10,607.15)	(6,031.50)	16,638.65	**-**
Impact of exposures transferred between stages during the year	-	-	-	**-**	-	-	0.04	**0.04**
Amounts written off	-	-	(14,028.12)	**(14,028.12)**	-	-	(7,377.95)	**(7,377.95)**
Change in fair value of loan assets	5,488.37	-	-	**5,488.37**	4,491.33	-	-	**4,491.33**
Gross carrying amount closing balance	**6,94,088.21**	**4,366.72**	**21,415.35**	**7,19,870.27**	**4,06,650.15**	**26,422.34**	**28,900.12**	**4,61,972.61**

Reconciliation of ECL balance is given below:

Particulars	As at 31st March 2023				As at 31st March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	5,809.40	474.90	15,877.23	**22,161.52**	5,513.91	312.74	15,085.44	**20,912.10**
New assets originated or purchased	2,951.91	16.08	390.59	**3,358.58**	4,527.37	31.04	166.55	**4,724.97**
Assets derecognised or repaid (excluding write offs)	(2,426.24)	(234.97)	(7,683.93)	**(10,345.14)**	(2,061.72)	(0.11)	(1,323.44)	**(3,385.27)**
Transfers to Stage 1	12.97	(10.67)	(2.29)	**0.00**	88.66	(77.79)	(10.87)	**-**
Transfers to Stage 2	(104.82)	109.44	(4.62)	**(0.00)**	(469.11)	477.07	(7.97)	**-**
Transfers to Stage 3	(132.64)	(113.18)	245.83	**0.00**	(179.34)	(156.40)	335.74	**-**
Impact on year end ECLs of exposures transferred between stages during the year	(11.54)	434.13	5,896.70	**6,319.29**	(53.65)	(205.39)	4,015.37	**3,756.33**
Changes to models and inputs using ECL calculation'	(2,267.65)	(137.30)	1,571.62	**(833.33)**	(1,556.72)	93.73	992.98	**(470.02)**
Amounts written off	-	-	(447.42)	**(447.42)**	-	-	(3,509.45)	**(3,509.45)**
Additional credit loss provision made by management	-	-	(3,011.79)	**(3,011.79)**	-	-	132.86	**132.86**
ECL allowance - closing balance	**3,831.38**	**538.41**	**12,831.91**	**17,201.71**	**5,809.40**	**474.90**	**15,877.23**	**22,161.52**

Muthoot Housing Finance Company Limited
The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 43 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 43

Particulars	As at 31st March 2023				As at 31st March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
High grade	1,26,934.80	50.08	-	**1,26,984.87**	1,04,399.79	-	-	**1,04,399.79**
Standard grade	8,829.48	107.79	-	**8,937.27**	7,091.43	-	-	**7,091.43**
Sub-standard grade	-	9,333.30	-	**9,333.30**	-	4,998.08	-	**4,998.08**
Past due but not impaired	-	-	-	**-**	-	5,500.03	-	**5,500.03**
Non- performing								
Individually impaired	-	-	1,248.07	**1,248.07**	-	-	5,758.16	**5,758.16**
Total	**1,35,764.27**	**9,491.16**	**1,248.07**	**1,46,503.51**	**1,11,491.22**	**10,498.11**	**5,758.16**	**1,27,747.49**

An analysis of changes in principal value in relation to receivables under financing activites is, as follows:

Particulars	As at 31st March 2023				As at 31st March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	1,13,132.03	10,298.05	5,068.65	**1,28,498.73**	1,08,232.40	6,667.40	4,113.34	**1,19,013.13**
New assets originated or purchased	43,310.50	65.57	22.37	**43,398.44**	27,475.82	5.35	-	**27,481.17**
Assets derecognised or repaid (excluding write offs)	(17,740.25)	(1,416.15)	(4,400.20)	**(23,556.60)**	(14,841.19)	(1,445.96)	-	**(16,287.15)**
Transfers to Stage 1	(1,235.62)	1,188.91	46.70	**0.00**	(5,062.02)	6,770.44	(1,708.42)	**-**
Transfers to Stage 2	(1,188.91)	662.71	526.20	**-**	(6,770.44)	5,805.88	964.56	**-**
Transfers to Stage 3	(46.70)	(526.20)	572.90	**-**	(964.56)	(1,699.18)	2,663.74	**-**
Impact of exposures transferred between stages during the year	1,235.62	(662.71)	(572.90)	**(0.00)**	5,062.02	(5,805.88)	(964.57)	**(1,708.43)**
Gross carrying amount closing balance	**1,37,466.67**	**9,610.17**	**1,263.72**	**1,48,340.57**	**1,13,132.03**	**10,298.05**	**5,068.65**	**1,28,498.73**

Reconciliation of ECL balance is given below:

Particulars	As at 31st March 2023				As at 31st March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	411.11	440.95	1,820.36	**2,672.42**	372.91	304.69	1,681.06	**2,358.67**
New assets originated or purchased	66.35	1.17	18.33	**85.85**	95.04	0.27	-	**95.31**
Additional provision/ (reversal of) provision	(420.26)	(162.53)	779.17	**196.38**	(63.07)	234.02	764.65	**935.60**
Assets derecognised or repaid (excluding write offs)	(48.72)	(33.70)	(1,549.48)	**(1,631.90)**	(37.51)	(38.95)	(640.69)	**(717.16)**
Transfers to Stage 1	222.59	(53.14)	(169.45)	**-**	43.75	(9.74)	(34.01)	**-**
Transfers to Stage 2	53.14	(13.13)	(40.01)	**-**	9.74	(59.08)	49.34	**-**
Transfers to Stage 3	169.45	40.01	(209.46)	**-**	34.01	(49.34)	15.34	**-**
Impact on year end ECLs of exposures transferred between stages during the year	(222.59)	13.13	209.46	**-**	(43.75)	59.08	(15.34)	**-**
ECL allowance - closing balance	**231.07**	**232.76**	**858.92**	**1,322.75**	**411.11**	**440.95**	**1,820.36**	**2,672.42**

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Note 8 continued

Transferred financial assets that are derecognised in their entirety but where the Group has continuing involvement

The Group has sold some loans and advances as a source of finance. As per terms of the deal, risk and reward has been transferred to the customer. Hence, as per the derecognition criteria of IND AS 109, including transfer of substantially all risks and rewards relating to assets being transferred to the buyer being met, the assets have been derecognised. The table below summarises the carrying amount of the derecognised financial assets.

Under previous GAAP, retained interest receivable on loan assignment transactions were recognised over the period of such assigned loans. Under Ind AS, the gain arising on said transactions are recorded upfront by discounting the future cash flows accruing in the form of differential interest on such assigned loan to their present values.

Particulars	As at 31st March 2023	As at 31st March 2022
Carrying amount of derecognised financial assets	1,80,975.19	1,67,158.19
Gain/(loss) from derecognition	11,153.74	9,140.61

Transferred financial assets that are not derecognised in their entirety

The Group uses securitisations as a source of finance and a means of risk transfer. The Group securitised its mircofinance loans to different entities. These entities are not related to the Group. Also, the Group neither holds any equity or other interest nor controls them.

As per the terms of the agreement, the Group is exposed to first loss amounting to 7.25% - 12.5% (7.25% - 12% as at March 31, 2022) of the amount securitised and therefore continues to be exposed to significant risk and rewards relating to the underlying gold and microfinance loans. These receivables are not derecognised and proceeds received are recorded as a financial liability under borrowings.

The table below outlines the carrying amounts and fair values of all financial assets transferred that are not derecognised in their entirety and associated liabilities.

Particulars	As at 31st March 2023	As at 31st March 2022
Carrying amount of assets re - recognised due to non transfer of assets	82,330.07	38,497.06
Carrying amount of associated liabilities	82,563.93	41,304.17

The carrying amount of above assets and liabilities is a reasonable approximation of fair value.

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(Amount in INR Lakhs, except share data and unless otherwise stated)

9 Investments

Particulars	As at 31st March 2023	As at 31st March 2022
(i) At Amortized Cost / At Cost		
Debt securities (At Amortized Cost)		
Unlisted Debentures		
Investment Richa Lifespace Private Limited	612.50	612.50
Investment Diyug Construction Private Limited	282.85	282.85
Investment Richa Realtors Private Limited	1,300.00	1,300.00
Others		
Investment in ARC Trust	6,331.37	-
Sub-total for investments at amortised cost / cost	**8,526.72**	**2,195.35**
(ii) At Fair Value through Profit or Loss		
Others - Quoted		
Investment in JM Financial India Fund II	236.50	156.37
Investments in Mutual Fund	650.10	4,076.39
Others - Unquoted		
Investment in Strugence Debt Fund	997.61	997.48
Investment in BPEA India Credit - Trust II	168.86	514.24
Investments in Security Receipts	2,662.07	-
Sub-total for investments at fair value through Profit or loss	**4,715.14**	**5,744.48**
(iii) At Fair Value through Other Comprehensive Income		
Equity instruments		
Others-Quoted		
Investment in Equity Shares (DP account with Motilal Oswal)	1,690.38	1,646.32
Investment in PMS - Motilal Oswal	231.12	465.24
Others-Unquoted		
Investment in Muthoot Pappachan Chits Private Limited	14.94	15.14
Investment in Avenues India Private Limited	479.10	477.67
Investment in Fair Asset Technologies (P) Limited	720.64	719.85
Investment in The Thinking Machine Media Private Limited	18.00	18.00
Investment In Speckle Internet Solutions Private Limited	42.86	198.10
Sub-total for investments at fair value through other comprehensive income	**3,197.04**	**3,540.32**
Total Gross (A)	**16,438.90**	**11,480.15**
i) Investments outside India	-	-
ii) Investments in India	16,438.90	11,480.15
Total Gross (B)	**16,438.90**	**11,480.15**
Less : Allowance for impairment loss (C)	(1,207.44)	(1,207.44)
Total - Net D = (A) - (C)	**15,231.46**	**10,272.71**

Debt Instruments measured at Amortised Cost

Credit Quality of Assets

Particulars	31/03/2023				31/03/2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
High grade	-	-	-	-	-	-	-	-
Standard grade	-	-	-	-	-	-	-	-
Sub-standard grade	-	-	-	-	-	-	-	-
Past due but not impaired	-	-	-	-	-	-	-	-
Non- performing								
Individually impaired	-	-	2,195.35	2,195.35	-	-	2,195.35	2,195.35
Total	**-**	**-**	**2,195.35**	**2,195.35**	**-**	**-**	**2,195.35**	**2,195.35**

An analysis of changes in the gross carrying amount in relation to Debt Instruments measured at Amortised Cost is, as follows

Particulars	31/03/2023				31/03/2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	-	-	2,195.35	2,195.35	300.00	-	2,195.35	2,495.35
New assets originated or purchased	-	-	-	-	-	-	-	-
Assets derecognised or repaid (excluding write offs)	-	-	-	-	(300.00)	-	-	(300.00)
Assets written off during the period	-	-	-	-	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	**-**	**-**	**2,195.35**	**2,195.35**	**-**	**-**	**2,195.35**	**2,195.35**

Reconciliation of ECL balance is given below:

Particulars	2022-23				2021-22			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	-	-	1,207.44	1,207.44	-	-	1,207.44	1,207.44
New assets originated or purchased	-	-	-	-	-	-	-	-
Assets derecognised or repaid (excluding write offs)	-	-	-	-	-	-	-	-
Assets written off during the period	-	-	-	-	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
ECL allowance - closing balance	**-**	**-**	**1,207.44**	**1,207.44**	**-**	**-**	**1,207.44**	**1,207.44**

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10 Other financial assets

Particulars	As at 31st March 2023	As at 31st March 2022
Security deposits	6,601.57	7,059.96
Interest accrued on fixed deposits with banks	626.97	345.94
Advance for financial assets	-	2,209.63
Deposits	171.62	169.00
Deposit with original maturity for more than twelve months	107.54	1,084.26
Receivables from auction proceeds	4,803.44	-
EIS receivable (net)	478.56	815.25
Other financial assets	2,608.43	2,581.08
Total	**15,398.13**	**14,265.13**

11 Investment property

Particulars	As at 31st March 2023	As at 31st March 2022
Inventory – Projects		
Opening Balance	30,236.55	30,096.71
Transferred from / (to) property, plant and equipment	-	-
Acquisitions / (Disposals)	(4,116.78)	139.83
Closing balance	**26,119.76**	**30,236.55**
Depreciation and Impairment		
Opening balance	-	-
Charge for the year	-	-
Closing Balance	**-**	**-**
Net Block	**26,119.76**	**30,236.55**

11.1. Investment Property includes lien marked properties of INR 9,460.56 as at 31st March, 2023 (March 31, 2022 - INR 9,460.56)

11.2. Fair Value of Investment Property as at March 31, 2023 - INR 27,823.11 (March 31, 2022 - INR 31,593.16)

11.3. Investment Property does not contain any immovable property which is not held in the name of the company

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Muthoot FinCorp Limited

Notes to the Consolidated Financial Statements for the year ended 31st March 2023

(Amount in INR Lakhs, except share data and unless otherwise stated)

12 Property, plant and equipment

Particulars	Buildings	Computer	Furniture & Fixtures	Land	Plant & Equipment	Vehicles	Windmill	Office Equipment	Electrical Equipments	Leasehold Improvements	Equipment - Finance Lease	Total
As at 31st March 2021	**5,850.61**	**5,547.45**	**25,820.43**	**12,555.55**	**14,025.31**	**302.52**	**7,449.78**	**2,330.08**	**172.43**	**154.07**	**(0.00)**	**74,208.21**
Addition during the year	-	823.43	1,856.72	-	1,087.81	13.06	-	599.63	18.68	31.96	-	4,431.29
Disposals	-	(8.30)	(0.63)	-	-	-	-	(24.12)	(6.23)	(5.66)	-	(44.94)
As at 31st March 2022	**5,850.61**	**6,362.58**	**27,676.51**	**12,555.55**	**15,113.12**	**315.58**	**7,449.78**	**2,905.59**	**184.87**	**180.37**	**(0.00)**	**78,594.56**
Addition during the year	448.51	1,261.03	2,318.60	-	2,254.79	1.42	-	1,060.88	532.51	71.22	-	7,948.96
Disposals	(39.60)	(3.22)	(2.65)	(22.77)	-	-	-	(47.78)	(3.62)	-	-	(119.63)
As at 31st March 2023	**6,259.52**	**7,620.38**	**29,992.46**	**12,532.78**	**17,367.91**	**317.01**	**7,449.78**	**3,918.70**	**713.77**	**251.59**	**(0.00)**	**86,423.89**
Accumulated Depreciation:												
As at 31st March 2021	**395.92**	**4,089.91**	**14,415.00**	**-**	**6,701.17**	**206.81**	**2,048.37**	**659.91**	**76.91**	**70.78**	**(0.00)**	**28,664.77**
Addition during the year	66.19	1,250.05	755.28	-	3,400.21	17.55	511.74	529.71	15.65	28.46	-	6,574.84
Disposals	-	(7.69)	(0.38)	-	-	-	-	(21.06)	(3.34)	(5.38)	-	(37.84)
As at 31st March 2022	**462.11**	**5,332.27**	**15,169.90**	**-**	**10,101.38**	**224.36**	**2,560.11**	**1,168.55**	**89.21**	**93.87**	**(0.00)**	**35,201.77**
Addition during the year	102.06	855.69	1,989.32	-	1,474.46	15.71	511.74	602.95	37.71	38.08	-	5,627.72
Disposals	-	(2.57)	(2.14)	-	-	-	-	(43.50)	(3.98)	-	-	(52.18)
As at 31st March 2023	**564.17**	**6,185.39**	**17,157.08**	**-**	**11,575.85**	**240.07**	**3,071.86**	**1,728.01**	**122.95**	**131.95**	**(0.00)**	**40,777.32**
Net book value:												
As at 31st March 2022	**5,388.50**	**1,030.31**	**12,506.61**	**12,555.55**	**5,011.73**	**91.22**	**4,889.67**	**1,737.04**	**95.66**	**86.50**	**(0.00)**	**43,392.79**
As at 31st March 2023	**5,695.35**	**1,434.99**	**12,835.38**	**12,532.78**	**5,792.06**	**76.94**	**4,377.92**	**2,190.68**	**590.82**	**119.64**	**(0.00)**	**45,646.57**

13 Intangible assets under development and other intangible assets

Particulars	Intangible assets under development	Computer Software
As at 31st March 2021	**114.45**	**3,843.18**
Addition during the year	-	698.80
Capitalised during the year	(114.45)	-
Disposals	-	-
As at 31st March 2022	**-**	**4,541.98**
Addition during the year	880.25	594.19
Capitalised during the year		-
Disposals		-
As at 31st March 2023	**880.25**	**5,136.18**
Accumulated Depreciation:		
As at 31st March 2021	**-**	**1,951.45**
Charged for the year	-	637.49
Disposals	-	-
As at 31st March 2022	**-**	**2,588.95**
Charged for the year	-	815.46
Disposals	-	-
As at 31st March 2023	**-**	**3,404.41**
Net book value:		
As at 31st March 2022	**-**	**1,953.04**
As at 31st March 2023	**880.25**	**1,731.77**

(Amount in INR Lakhs, except share data and unless otherwise stated)

14 Right-of-use assets

Particulars	As at 31st March 2023	As at 31st March 2022
Depreciation charge for Right-of-use assets		
Leasehold Property	15,184.69	16,337.44
Equipments	2.65	34.17
Interest expense on lease liabilities	10,145.50	6,901.55
Income from subleasing right-of-use assets	161.53	158.79
Total cash outflow for leases	21,067.96	19,575.16
Carrying amount of right-of-use assets		
Leasehold Property	91,866.12	66,254.37
Equipments	1.56	4.21
Lease Liability		
Leasehold Property	1,02,701.17	74,228.21
Equipments	1.75	4.90

14.1. The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	As at 31st March 2023	As at 31st March 2022
Short-term leases	24.66	23.38
Leases of low value assets	-	-
Variable lease payments	-	-

14.2. Carrying value of right-of-use assets at the end of the reporting period:

Particulars	As at 31st March 2023	As at 31st March 2022
Balance as at the beginning	66,258.57	50,836.70
Additions	40,924.22	32,133.64
Deletions	(298.20)	(261.74)
Depreciation charge for the year	(15,187.34)	(16,371.61)
Other Adjustment	170.42	(78.43)
Balance at the end	91,867.68	66,258.57

14.3. Movement in lease liabilities:

Particulars	As at 31st March 2023	As at 31st March 2022
Balance as at the beginning	74,233.11	55,998.55
Additions	39,547.34	31,309.79
Interest on lease liabilities	10,145.50	6,901.55
Payment of lease liabilities	(21,067.97)	(19,575.17)
Other Adjustment	(155.07)	(401.63)
Balance at the end	1,02,702.92	74,233.11

14.4. Maturity analysis of lease liabilities

Particulars	As at 31st March 2023	As at 31st March 2022
Less than one year	20,739.20	15,955.68
One to five years	78,479.99	54,630.83
More than five years	57,518.43	41,210.26
Total undiscounted lease liabilities as at March 31, 2023 / March 31, 2022	1,56,737.62	1,11,796.77

15 Other non financial assets

Particulars	As at 31st March 2023	As at 31st March 2022
Prepaid expenses	2,884.40	934.98
Advance to Creditors	600.60	632.78
Advance for Property (refer note a)	19,000.17	23,790.54
Pre-Deposit Fee	753.95	619.45
GST / Service Tax Receivables	1,175.66	1,041.51
Other Receivable	112.47	2,553.71
Assets held for sale (refer note b)	819.46	1,452.46
Capital advances	99.65	92.24
Total	**25,446.36**	**31,117.67**

(a) Advance for Property as on March 31, 2023 consists of - INR 0.00 (P.Y. INR 1,722.40), INR 1,487.26 (P.Y. INR 1,487.26) and INR 17,512.91 (P.Y.INR 20,580.88) advanced by the Company to its Directors and their relatives, M/s. MPG Hotels & Infrastructure Ventures Private Limited (a Company in which the Directors are interested) and M/s. Muthoot Estate Investments (a firm in which the Directors of the Company are partners) respectively for purchase of immovable property by the Company from them.

(b) Assets held for sale represents Assets acquired under satisfaction of debt by Muthoot Housing Finance Company Limited.

16 Payables

Particulars	As at 31st March 2023	As at 31st March 2022
(I) Trade payables		
Total outstanding dues of micro enterprises and small enterprises	18.22	6.41
Total outstanding dues of creditors other than micro enterprises and small enterprise	535.71	337.28
(II) Other payables		
Total outstanding dues of micro enterprises and small enterprises	813.40	79.03
Total outstanding dues of creditors other than micro enterprises and small enterprise	4,797.02	5,701.66
Total	**6,164.34**	**6,124.37**

Disclosure under Micro, Small, and Medium Enterprises Development Act, 2006 :

Particulars	As at 31st March 2023	As at 31st March 2022
Principal amount remaining unpaid during the year	831.62	85.44
Interest due thereon	-	-
Interest remaining accrued and unpaid at the end of the year	-	-
Total interest accrued and remained unpaid at year end	831.62	85.44

(i) Ageing Schedule of Trade Payables (As on 31/03/2023)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	17.95	-	-	-	17.95
(ii) Others	151.01	2.99	0.59	6.51	161.10
(iii) Disputed Dues- MSME	-	-	-	0.26	0.26
(iv) Disputed Dues- Others	-	-	-	11.38	11.38
Total	**168.97**	**2.99**	**0.59**	**18.15**	**190.69**
Unbilled (Undisputed outstanding of non MSME trade payables)					**363.23**
Total					**553.92**

(ii) Ageing Schedule of Trade Payables (As on 31/03/2022)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	6.62	0.03	-	0.26	6.91
(ii) Others	70.80	5.96	-	13.96	90.71
(iii) Disputed Dues- MSME	-	-	-	-	-
(iv) Disputed Dues- Others	-	-	-	-	-
Total	**77.42**	**5.99**	**-**	**14.22**	**97.63**
Unbilled (Undisputed outstanding of non MSME trade payables)					**246.06**
Total					**343.69**

17 Debt Securities (At Amortised Cost)

Particulars*	As at 31st March 2023	As at 31st March 2022
Secured		
Secured Non-Convertible Debentures	88.00	587.29
Secured Non-Convertible Debentures- Listed	3,86,884.58	2,98,706.31
Secured Non-Convertible Debentures - Covered Bonds - Listed	49,837.07	1,43,079.15
Unsecured		
Commercial Paper	4,848.39	4,968.27
Total	**4,41,658.04**	**4,47,341.02**
Debt securities in India	4,41,658.04	4,47,341.02
Debt securities outside India	-	-
Total	**4,41,658.04**	**4,47,341.02**

*Includes issue expenses amortised as per Effective Interest Rate (EIR)

Maturity Profile of Non-Convertible Debentures as on March 31st 2023:

Particulars	Amount
FY 2023-24	2,09,452.23
FY 2024-25	94,614.56
FY 2025-26	81,397.38
FY 2026-27	36,016.62
FY 2027-28	8,320.74
FY 2029-30	9,728.70
FY 2030-31	4,008.43
Adjustments on account of effective rate of interest	(1,880.62)
TOTAL	**4,41,658.04**

Secured debentures are secured in either of the following ways by the respective Company issuing the instrument:

Nature of security	Outstanding as at March 31st 2023	Outstanding as at March 31st 2022
Privately placed (Listed & Unlisted)		
Secured by subservient charge on all current assets (both present and future) and immovable property of the Company	88.00	88.00
Exclusive charge over book debts equivalent to 100% of the loan and interest amount	28,320.00	19,000.00
Exclusive charge over book debts equivalent to 110% of the loan and interest amount	15,000.00	44,540.00
Exclusive charge over book debts equivalent to 115% of the loan and interest amount	90,040.00	-
Hypothecation of Loan Receivables of the Company equivalent to 1.1 times of the amount outstanding	-	500.00
First Pari-passu charge on the present and future standard loan receivables equivalent to 1.10 times of the loan	10,000.00	10,000.00
Public Issue - Listed		
Subservient charge with existing secured creditors on all loan receivables (both present and future) of the company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders	2,36,910.67	1,83,294.62
Subservient charge with existing secured creditors on all loan receivables (both present and future) of the company and exclusive mortgage and first charge over certain immovable property of the Company	8,331.60	43,596.53
Covered Bonds - Listed		
First Pari-passu charge on the present and future current assets of the Company along with other lenders and NCD investors with a minimum asset coverage ratio of 1.10 times of the value of the outstanding principal amounts of the Debentures	20,000.00	20,000.00
Hypothecation over Cover Pool and C&P Account to be created upfront by the Trust in favour of Security Trustee. Cover of 1.15 times the outstanding NCDs to be maintained at all times Hypothecation over: (i) Contribution (ii) right, title and interest of the Borrower in the property belonging to the Trust, as a residual beneficiary; and (iii) in the event that the transfer of the assets from the Borrower to the Trust is reversed for any reason whatsoever, then all right, title and interest of the Borrower in the said assets (iv) Cash Collateral of 7% of Facility Amount (static) in the form of Fixed Deposits to be created upfront by the Company in favour of Debenture Trustee, to be created by the Borrower upfront and CHG 9 to be filed within 30 days from date of first disbursement by Borrower in favour of Security Trustee	-	3,750.00
First ranking exclusive and continuing charge on book debts which shall be maintained at 1.15 times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon, Default Interest accrued thereon	-	37,500.00
First ranking exclusive and continuing charge on book debts which shall be maintained at 1.15 times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon, Default Interest accrued thereon and first ranking pari passu charge by way of mortgage over certain immovable property of the Company	-	20,000.00
First ranking exclusive and continuing charge on book debts which shall be maintained at 1.20 times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon, Default Interest accrued thereon	30,000.00	62,500.00

(Amount in INR Lakhs, except share data and unless otherwise stated)

18 Borrowings (other than debt securities) - At Amortised Cost

Particulars	As at 31st March 2023	As at 31st March 2022
(a) Term loans		
(i) from banks	9,08,291.16	6,84,220.85
(ii) from other parties		
- financial institutions	1,24,425.38	1,27,840.12
- financial institutions (in foreign currency)	20,477.63	-
- financial institutions (unsecured)	5,477.27	15,597.70
(iii) under securitisation arrangement	82,306.31	41,210.91
(b) Loans repayable on demand		
(i) from banks (OD & CC)	7,52,795.24	7,31,762.24
(ii) from other parties (unsecured)	770.00	460.09
Total	**18,94,542.99**	**16,01,091.91**
Borrowings in India	18,94,542.99	16,01,091.91
Borrowings outside India	-	-

a) Security details :

Borrowings (other than debt securities) are secured in either of the following ways by the respective Company issuing the instrument:

Nature of the security	Outstanding as at March 31st 2023	Outstanding as at March 31st 2022
From Banks and Financial Institutions		
Hypothecation of Loan receivables, other current assets & specified fixed assets equivalent to security cover stipulated by respective banks (Guaranteed by promoter directors INR 4,74,755 (31st March 2022 : INR 4,14,367)	5,03,400.35	4,25,216.06
Hypothecation of Loan Receivables equivalent to security cover stipulated by respective banks (Guaranteed by promoter directors)	1,13,327.67	96,368.32
Hypothecation of all present and future current assets including Book Debts,Trade Receivables, Fixed Assets, Intangible assets and all other Receivables	231.77	631.77
Cash margin of 10%	-	7,328.11
Exclusive charge over book debts equivalent to 100% of loan amount and Cash margin of 10%	7,330.12	10,000.00
Exclusive charge over book debts equivalent to 105% of loan amount and Cash margin of 5%	62,004.68	24,100.37
Exclusive charge over book debts equivalent to 108% of loan amount and Cash margin of 8%	-	778.16
Exclusive charge over book debts equivalent to 108% of loan amount and Cash margin of 10%	-	1,039.57
Exclusive charge over book debts equivalent to 108.30% of loan amount and Cash margin of 10%	-	345.05
Exclusive charge over book debts equivalent to 108.68% of loan amount and Cash margin of 12%	-	2,959.67
Exclusive charge over book debts equivalent to 108.70% of loan amount and Cash margin of 12%	254.42	10,764.10
Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 5%	91,537.68	73,682.79
Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 7.25%	-	5,361.62
Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 8%	-	1,076.04
Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 10%	8,674.53	-
Exclusive charge over book debts equivalent to 111% of loan amount and Cash margin of 10%	17,641.32	-
Exclusive charge over book debts equivalent to 111% of loan amount and Cash margin of 12.5%	3,386.18	-
Exclusive charge over book debts equivalent to 111.11% of loan amount and Cash margin of 10%	-	6,662.59
Exclusive charge over book debts equivalent to 111.12% of loan amount and Cash margin of 10%	691.40	8,665.76
Exclusive charge over book debts equivalent to 111.21% of loan amount and Cash margin of 10%	-	3,558.34
Exclusive charge over book debts equivalent to 112% of loan amount and Cash margin of 10%	5,766.28	5,100.00
Exclusive charge over book debts equivalent to 112.74% of loan amount	880.00	2,750.00

Nature of the security	Outstanding as at March 31st 2023	Outstanding as at March 31st 2022
Exclusive charge over book debts equivalent to 113% of loan amount and Cash margin of 10%.	-	20,000.00
Exclusive charge over book debts equivalent to 114% of loan amount and Cash margin of 10%.	5,540.35	-
Exclusive charge over book debts equivalent to 114% of loan amount and Cash margin of 5.5%.	40,191.91	-
Exclusive charge over book debts equivalent to 114% of loan amount and Cash margin of 7.4%.	9,407.16	-
Exclusive charge over book debts equivalent to 114% of loan amount and Cash margin of 7.5%.	7,292.79	-
Exclusive charge over book debts equivalent to 114% of loan amount and Cash margin of 8%.	2,116.21	-
Exclusive charge over book debts equivalent to 114% of loan amount and Cash margin of 9.5%.	5,757.34	-
Exclusive charge over book debts equivalent to 115% of loan amount and Cash margin of 5%.	-	3,494.14
Exclusive charge over book debts equivalent to 125% of loan amount and Cash margin of 5%.	27,021.44	-
Exclusive charge over book debts equivalent to 117% of loan amount and Cash margin of 5%	13,493.53	2,332.36
Exclusive charge over book debts equivalent to 133% of loan amount and Cash margin of 5%	6,643.63	13,250.66
Exclusive charge over book debts equivalent to 100% of loan amount	23,062.11	30,612.37
Exclusive charge over book debts equivalent to 105% of loan amount	10,646.20	22,961.21
Exclusive charge over book debts equivalent to 110% of loan amount	1,54,974.45	64,316.27
Exclusive charge over book debts equivalent to 111% of loan amount	2,614.01	-
Exclusive charge over book debts equivalent to 115% of loan amount	4,642.06	1,767.08
From other parties		
Hypothecation of Loan Receivables of the Company equivalent to security cover stipulated by respective lender	6,970.90	8,149.58
Loans repayable on demand		
Hypothecation of Loan Receivables equivalent to security cover stipulated by respective banks (Guaranteed by promoter directors)	7,46,415.46	7,28,350.96

b) Terms of repayment

Secured loans from Banks

Name of Party	Outstanding as at March 31st 2023	Outstanding as at March 31st 2022	Terms of Repayment
Term Loan from Banks			
State Bank of India Car Loan	0.50	6.51	Repayable in 16 monthly instalments on diminishing value method
State Bank of India Car Loan	-	4.20	Repayable in 24 monthly instalments on diminishing value method
Axis Bank	17,000.00	-	Repayable in 7 quarterly instalments of INR 2,429 each from July 2023
Axis Bank	15,714.29	17,500.00	Repayable in 4 quarterly instalments of INR 3,928 each from May 2023 (INR 10,000 availed additionally during the year ended March, 2023)
Bandhan Bank	7,498.24	-	Repayable in 11 quarterly instalments of INR 682 each from April 2023
Bandhan Bank	17,500.00	-	Repayable in 11 quarterly instalments of INR 1,590 each from Sept 2023
Bank of Baroda	-	2,000.00	Repayable in 2 quarterly instalments of INR 1,000 each from June 2022
Bank of Baroda	6,000.00	18,000.00	Repayable in 2 quarterly instalments of INR 3,000 each from April 2023
Bank of India	-	12,000.00	Repayable in 4 quarterly instalments of INR 3,000.00 each from June 2022
Bank of Maharashtra	25,186.85	-	Repayable in 10 quarterly instalments of INR 2,500 each from Sept 2023
Bank of Maharashtra	4,536.31	10,580.28	Repayable in 3 quarterly instalments of INR 1,500 each from June 2023
Canara Bank	8,636.00	25,908.00	Repayable in 2 quarterly instalments of INR 4,318 each from June 2023
Canara Bank	18,000.00	30,000.00	Repayable in 6 quarterly instalments of INR 3,000 each from June 2023
Canara Bank	16,363.64	-	Repayable in 9 quarterly instalments of INR 1,818 each from June 2023
Canara Bank	30,000.00	-	Repayable in 16 quarterly instalments of INR 1,875 each from June 2023
Central Bank of India	-	5,914.92	Repayable in 2 quarterly instalments of INR 3,000.00 each from May 2022
Central Bank of India	-	3,697.76	Repayable in June 2022

Name of Party	Outstanding as at March 31st 2023	Outstanding as at March 31st 2022	Terms of Repayment
Central Bank of India	1,837.03	5,599.23	Repayable in 2 quarterly instalments of INR 937.5 each from May 2023
Central Bank of India	1,844.01	5,612.06	Repayable in 2 quarterly instalments of INR 937.50 each from May 2023
Central Bank of India	5,974.51	9,999.44	Repayable in 6 quarterly instalments of INR 1,000 each from June 2023
Central Bank of India	20,981.01	-	Repayable in 7 quarterly instalments of INR 3,000 each from June 2023
Central Bank of India	11,962.16	19,986.36	Repayable in 6 quarterly instalments of INR 2,000 each from June 2023
DBS Bank	2,857.14	5,000.00	Repayable in 12 monthly instalments of INR 238 each from April 2023
DBS Bank	2,857.14	5,000.00	Repayable in 12 monthly instalments of INR 238 each from April 2023
Federal Bank	10,000.00	-	Repayable in 10 quarterly instalments of INR 1,000 each from June 2023
Indian Bank	6,043.06	18,134.56	Repayable in 2 quarterly instalments of INR 3,000 each from June 2023
Indian Bank	12,591.27	24,349.30	Repayable in 15 monthly instalments of INR 833 each from April 2023 (two instalments were prepaid during the year ended March, 2023)
Indian Bank	16,117.74	10,002.26	Repayable in 12 quarterly instalments of INR 1,333 each from June 2023 (INR 10,000 availed additionally during the year ended March, 2023)
Indian Bank	9,161.20	-	Repayable in 10 quarterly instalments of INR 909 each from March 2023
Indian Bank	20,148.77	-	Repayable in 11 quarterly instalments of INR 1,819 each from September 2023
Oriental Bank of Commerce	-	3,309.56	Repayable in 2 quarterly instalments of INR 1,666.67 each in June 2022, September 2022
Punjab National Bank	36,002.31	30,000.00	Repayable in 8 quarterly instalments of INR 4,546 each from June 2023 (INR 20,000 availed additionally during the year ended March, 2023. INR 341.80 was paid in excess during the year ended March 31, 2023)
Punjab & Sind Bank	2,999.96	8,000.00	Repayable in 3 quarterly instalments of INR 1,000 each from June 2023 (one instalment was prepaid during the year ended March, 2023)
Punjab & Sind Bank	8,843.42	15,000.00	Repayable in 6 quarterly instalments of INR 1,500 each from May 2023
Punjab & Sind Bank	12,799.92	7,500.00	Repayable in 8 quarterly instalments of INR 1,600 each from June 2023 (INR 8,500 availed additionally during the year ended March, 2023)
Punjab & Sind Bank	9,000.00	-	Repayable in 9 quarterly instalments of INR 1,000 each from April 2023
State Bank of India	10,499.44	24,499.66	Repayable in 3 quarterly instalments of INR 3,500 each from May 2023
State Bank of India	22,749.09	32,499.85	Repayable in 7 quarterly instalments of INR 3,250 each from May 2023
State Bank of India	44,549.97	-	Repayable in 18 quarterly instalments of INR 2,778 each from Oct 2023
UCO Bank	3,112.07	5,617.37	Repayable in 5 quarterly instalments of INR 625 each from June 2023
UCO Bank	6,246.70	9,371.72	Repayable in 8 quarterly instalments of INR 781.25 each from May 2023
UCO Bank	3,740.59	8,740.60	Repayable in 3 quarterly instalments of INR 1,250 each from April 2023
UCO Bank	4,982.31	9,982.33	Repayable in 4 quarterly instalments of INR 1,250 each from May 2023

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Name of Party	Outstanding as at March 31st 2023	Outstanding as at March 31st 2022	Terms of Repayment
UCO Bank	9,374.70	13,124.73	Repayable in 10 quarterly instalments of INR 937.50 each from April 2023
UCO Bank	14,999.93	13,000.00	Repayable in 12 quarterly instalments of INR 1,250 each from June 2023 (INR 7,000 availed additionally during the year ended March, 2023)
UCO Bank	17,500.00	-	Repayable in 14 quarterly instalments of INR 1,250 each from May 2023
United Bank of India	-	3,308.46	Repayable in May 2022
Ujjivan Bank	-	2,600.00	Repayable in 2 quarterly instalments of INR 1,300.00 each from June 2022
Ujjivan Bank	1,785.71	-	Repayable in 5 quarterly instalments of INR 357 each from May 2023
Ujjivan Bank	1,785.71	-	Repayable in 5 quarterly instalments of INR 357 each from May 2023
Yes Bank	5,684.84	8,528.84	Repayable in 8 quarterly installments of INR 711 each from June 2023
AU Small Finance Bank Limited	125.19	625.00	Repayable in 20 quarterly instalments after 1 month from the date of full disbursement
Axis Bank	2,303.41	1,235.29	Repayable in 17 quarterly instalments after 12 months from the date of first disbursement
Bank of Baroda	1,032.12	1,309.97	Repayable in 36 quarterly instalments after 12 months from the disbursement
Bank of Baroda	5,000.00	-	Repayable in 32 quarterly instalments after 3 months from the disbursement
Bank of India	4,579.09	4,997.42	Repayable in 36 quarterly instalments after 12 months from the date of first disbursement
Canara Bank	2,175.93	2,731.48	Repayable in 108 monthly instalments after 13 months from the disbursement
Canara Bank	-	3,024.88	Repayable in 48 monthly instalments after 13 months from the disbursement
Canara Bank	1,388.89	1,666.67	Repayable in 36 equal quarterly instalments after 15 months from the disbursement
Canara Bank	10,000.00	-	Repayable in 72 equal monthly instalments after 12 months from the disbursement
DBS Bank India Limited	-	194.52	Repayable in 120 monthly instalments after 12 months from the disbursement
Federal Bank Limited	1,166.52	1,833.21	Repayable in 36 monthly instalments after a month from the disbursement
ICICI Bank Limited	-	267.86	Repayable in 28 quarterly instalments after 12 months from the disbursement
IDBI Bank Limited	569.04	672.48	Repayable in 58 quarterly instalments after 6 months from the disbursement
Indian Bank	5,500.00	6,879.31	Repayable in 29 quarterly instalments after a holiday period of 3 quarters from the date of first disbursement
Indian Bank	5,397.26	6,000.00	Repayable in 72 monthly instalments after a holiday period of 12 months from the date of first disbursement
Karur Vysya Bank	1,246.39	1,527.70	Repayable in 36 equal quarterly instalments after 12 months from the disbursement
Punjab National Bank	1,493.43	2,068.16	Repayable in 36 equal quarterly instalments after 6 months from the disbursement
Punjab National Bank	5,046.08	5,798.62	Repayable in 40 equal quarterly instalments after 15 months from the disbursement
Punjab National Bank	1,305.19	1,584.10	Repayable in 36 equal quarterly instalments after 12 months from the disbursement
Punjab National Bank	9,999.29	1,999.09	Repayable in 36 equal quarterly instalments after 12 months from the disbursement
South Indian Bank	-	274.35	Repayable in 84 monthly instalments after 12 months from the disbursement
South Indian Bank	368.35	868.46	Repayable in 60 instalments from the disbursement
State Bank of India	-	866.00	Repayable in 27 quarterly instalments after 6 months from the disbursement
State Bank of India	2,394.63	2,789.15	Repayable in 36 quarterly instalments after 4 months from the disbursement

Name of Party	Outstanding as at March 31st 2023	Outstanding as at March 31st 2022	Terms of Repayment
State Bank of India	5,901.54	6,696.20	Repayable in 35 quarterly instalments after 12 months from the disbursement
State Bank of India	7,109.58	7,999.64	Repayable in 36 quarterly instalments after 12 months from the disbursement
State Bank of India	10,000.01	4,999.82	Repayable in 36 quarterly instalments after 12 months from the disbursement
Union Bank of India	955.24	1,724.98	Repayable in 26 equal quarterly instalments after 6 months from the disbursement
Union Bank of India	3,331.21	4,164.79	Repayable in 24 equal quarterly instalments after 15 months from the disbursement
Union Bank of India	-	98.62	Repayable in 25 quarterly instalments after 9 months from the disbursement
Union Bank of India	2,493.07	3,049.33	Repayable in 36 equal quarterly instalments after 15 months from disbursement
Yes Bank Limited	2,407.27	2,738.56	Repayable in 163 monthly instalments after 6 months from the disbursement
National Housing Bank	168.73	234.69	Repayable in 47 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	443.34	530.00	Repayable in 59 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	34.27	52.95	Repayable in 27 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	655.87	790.50	Repayable in 59 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	1,049.17	1,216.20	Repayable in 59 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	362.00	515.60	Repayable in 27 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	170.70	193.50	Repayable in 39 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	317.45	427.79	Repayable in 39 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	716.74	891.80	Repayable in 39 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	1,689.11	2,078.00	Repayable in 39 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	773.39	973.71	Repayable in 39 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	431.51	500.75	Repayable in 39 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	-	594.79	Repayable within one year
National Housing Bank	72.21	92.58	Repayable in 27 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	525.56	692.49	Repayable in 27 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	2,749.94	3,435.00	Repayable in 27 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	2,426.01	3,165.00	Repayable in 27 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	1,378.01	-	Repayable in 27 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	828.10	-	Repayable in 27 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	989.19	-	Repayable in 27 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	1,560.20	-	Repayable in 27 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	3,500.00	-	Repayable in 27 quarterly instalments after quarter succeeding the disbursement

Name of Party	Outstanding as at March 31st 2023	Outstanding as at March 31st 2022	Terms of Repayment
Axis Bank VI	6,136.36	14,318.18	Repayable in 22 monthly instalments from March, 2022
Bandhan Bank IV	5,355.31	12,499.79	Repayable in 7 quarterly instalments from July, 2022
Bandhan Bank IV B	4,285.65	7,499.99	Repayable in 7 quarterly instalments from September, 2022
Bank of Bahrain and Kuwait	1,180.00	2,340.00	Repayable in 12 quarterly instalments from May 2021
Bank of Baroda	-	3,500.00	Repayable in 30 monthly instalments from March 2020
Bank of Baroda -2	5,000.00	8,333.33	Repayable in 36 monthly instalments from October, 2021
Canara Bank	4,997.59	8,331.43	Repayable in 36 monthly instalments from October, 2021
DCB IV	2,289.92	4,791.22	Repayable in 24 monthly instalments from March, 2022
DOHA Bank	-	80.56	Repayable in 36 monthly instalments from May, 2019
Equitas Small Finance Bank II	2,074.00	4,582.00	Repayable in 24 monthly instalments from February, 2022
HDFC	-	380.95	Repayable in 21 monthly instalments from March, 2021
IDBI Bank - IV	3,125.00	5,000.00	Repayable in 24 monthly instalments from July, 2022
IDBI III	2,656.25	4,531.25	Repayable in 32 monthly instalments from January, 2022
IOB	3,998.08	5,000.00	Repayable in 30 monthly instalments from September, 2022
Jana SFB	190.62	2,334.64	Repayable in 24 monthly instalments from May, 2021
Jana SFB - II	1,952.51	3,149.90	Repayable in 36 monthly instalments from September, 2021
Karnataka Bank	1,997.69	3,999.66	Repayable in 5 half yearly instalments from December, 2021
Karnataka Bank II	3,999.64	4,999.83	Repayable in 5 half yearly instalments from November, 2022
KOTAK IV	-	3,208.24	Repayable in 24 monthly instalments from March, 2021
Kotak Mahindra Bank V	4,375.00	7,499.99	Repayable in 23 monthly instalments from June, 2022
Punjab National Bank	-	18,180.51	Repayable in 33 monthly instalments from January, 2022
SBI 5	6,663.30	13,333.00	Repayable in 12 quarterly instalments from April, 2021
SCB	-	1,875.00	Repayable in 1 bullet payment in June, 2022
SCB - Jan'22	-	4,125.00	Repayable in 1 bullet payment in January, 2023
SCB - Nov'21	3,000.00	7,000.00	Repayable in 8 quarterly instalments from February, 2022
SCB - Nov'21 - 2	-	2,000.00	Repayable in 1 bullet payment in November, 2022
SCB - Oct'21	-	625.00	Repayable in 1 bullet payment in October, 2022
SCB -Apr'22	-	3,750.00	Repayable in 1 bullet payment in April, 2022
Union Bank of India	-	500.00	Repayable in 30 monthly instalments from April, 2020
Union Bank of India	-	1,500.00	Repayable in 30 monthly instalments from July, 2020
Utkarsh Small Finance Bank	312.50	1,562.50	Repayable in 24 monthly instalments from July, 2021
Woori Bank 3	700.00	2,100.00	Repayable in 24 monthly instalments from October, 2021
Woori Bank 4	1,033.33	2,712.50	Repayable in 24 monthly instalments from January, 2022
Axis TL	4,772.73	-	Repayable in 22 Monthly instalments from September, 2022
Axis TL	363.64	-	Repayable in 22 Monthly instalments from October, 2022
Utkarsh SFB	1,562.50	-	Repayable in 24 Monthly instalments from July, 2022
Karur Vysya Bank	2,250.00	-	Repayable in 10 Quarterly instalments from January, 2023
Bank of Bahrain & Kuwait	1,500.00	-	Repayable in 8 Quarterly instalments from October, 2022
HSBC	1,666.66	-	Repayable in 24 Monthly instalments from August, 2022
HSBC	2,393.53	-	Repayable in 24 Monthly instalments from March, 2023
ICICI TL	19,444.44	-	Repayable in 9 Quarterly instalments from December, 2022
SBI	27,261.60	-	Repayable in 11 Quarterly instalments from February, 2023
DBS Bank	4,166.67	-	Repayable in 24 Monthly instalments from December, 2022
DBS Bank	4,583.33	-	Repayable in 24 Monthly instalments from February, 2023
Suryoday SFB	3,854.27	-	Repayable in 24 Monthly instalments from October, 2022
BOB	12,428.57	-	Repayable in 35 Monthly instalments from October, 2022
ICBC	5,833.33	-	Repayable in 12 Quarterly instalments from December, 2022
Union Bank	8,787.88	-	Repayable in 33 Monthly instalments from December, 2022

Name of Party	Outstanding as at March 31st 2023	Outstanding as at March 31st 2022	Terms of Repayment
UCO Bank	8,333.31	-	Repayable in 12 Quarterly instalments from December, 2022
Jana Small Finance Bank	5,862.50	-	Repayable in 24 Monthly instalments from January, 2023
Kookmin Bank	7,000.00	-	Repayable in 8 Quarterly instalments from February, 2024
Kotak Mahindra Bank	3,666.67	-	Repayable in 24 Monthly instalments from February, 2023
Kotak Mahindra Bank	1,000.00	-	Repayable in 24 Monthly instalments from May, 2023
Bandhan	20,008.51	-	Repayable in 7 Quarterly instalments from June, 2023
DCB	3,833.29	-	Repayable in 24 Monthly instalments from March, 2023
Federal Bank	4,375.00	-	Repayable in 8 Quarterly instalments from March, 2023
Woori Bank	4,583.33	-	Repayable in 24 Monthly instalments from February, 2023
Axis Bank	6,300.00	-	Repayable in 22 Monthly instalments from April, 2023
SCB	19,000.00	-	Repayable in 8 Quarterly instalments from May, 2023
SCB	3,000.00	-	Repayable in 1 Bullet Payment instalments in February, 2024
Punjab and Sind	9,999.73	-	Repayable in 36 Monthly instalments from April, 2023
ICICI	5,500.00	-	Repayable in 9 Quarterly instalments from July, 2023
IDFC	25,000.00	-	Repayable in 21 Monthly instalments from July, 2023
Interest accrued on borrowings	34.04	17.25	-
Adjustments on account of effective rate of interest	(4,994.89)	(2,889.86)	
Securitisation arrangements			
Bandhan Marvel	-	6,668.65	Repayable on a monthly basis on actual collection from September, 2021
CSB Bella	-	1,076.42	Repayable on a monthly basis on actual collection from January, 2021
CSB Peterson	692.98	8,693.07	Repayable on a monthly basis on actual collection from February, 2022
DCB Macfarland	-	778.65	Repayable on a monthly basis on actual collection from April, 2021
Federal Eaton	-	345.13	Repayable on a monthly basis on actual collection from January, 2021
Federal Splash	-	2,967.67	Repayable on a monthly basis on actual collection from November, 2021
Federal Vision	254.99	3,369.43	Repayable on a monthly basis on actual collection from January, 2022
ICICI Sahana	-	1,039.89	Repayable on a monthly basis on actual collection from April, 2021
ICICI Sarayu	-	2,364.08	Repayable on a monthly basis on actual collection from July, 2021
ICICI Starlord	-	5,066.63	Repayable on a monthly basis on actual collection from January, 2022
IDFC Vikramaditya	-	5,365.62	Repayable on a monthly basis on actual collection from April, 2021
SBI Malik	-	3,568.94	Repayable on a monthly basis on actual collection from November, 2021
Federal Bank	2,098.37	-	Repayable in 18 Monthly instalments from June-2022
ICICI	2,670.77	-	Repayable in 18 Monthly instalments from July-2022
L&T	2,915.95	-	Repayable in 18 Monthly instalments from August-2022
Kotak Mahindra	2,121.84	-	Repayable in 17 Monthly instalments from August-2022
Federal Bank	3,388.71	-	Repayable in 17 Monthly instalments from October-2022
Axis Bank	5,556.62	-	Repayable in 17 Monthly instalments from September-2022
SBI	9,435.72	-	Repayable in 17 Monthly instalments from October-2022
IDBI	5,820.45	-	Repayable in 15 Monthly instalments from December-2022
ICICI	7,300.09	-	Repayable in 17 Monthly instalments from January-2023
SBI	27,623.06	-	Repayable in 18 Monthly instalments from March-2023
Axis Bank	12,684.37	-	Repayable in 17 Monthly instalments from April-2023
Adjustments on account of effective rate of interest	(257.63)	(93.26)	
Total	**9,90,597.47**	**7,25,431.76**	

Term Loan from Others			
Name of Party	**Outstanding as at March 31st 2023**	**Outstanding as at March 31st 2022**	**Terms of Repayment**
Bajaj Finance	437.50	2,187.50	Repayable in 3 monthly instalments of INR 146 each from April 2023
Hinduja Housing Finance Company Limited	100.00	300.00	Repayable in 120 monthly instalments after 12 months from the disbursement
LIC Housing Finance Limited	6,925.62	7,911.15	Repayable in 108 monthly instalments after 12 months from the disbursement
Northern Arc Capital Limited	1,666.64	3,333.32	Repayable in 12 quarterly instalments
Northern Arc Capital Limited	1,300.00	2,500.00	Repayable in 10 quarterly instalments
Northern Arc Capital Limited	1,800.00	3,000.00	Repayable in 10 quarterly instalments
Capri Global	520.83	1,770.83	Repayable in 24 monthly instalments from September, 2021
Credit Saision	1,312.50	3,062.50	Repayable in 8 quarterly instalments from February, 2022
Credit Saison II	750.00	1,500.00	Repayable in 8 quarterly instalments from May, 2022
JM Financials	-	10,000.00	Repayable in 12 monthly instalments from May, 2022
Mas Financial Services Ltd	-	1,875.00	Repayable in 24 monthly instalments from January, 2021
MAS Financial Services Ltd - 2	1,666.67	3,666.67	Repayable in 24 monthly instalments from February, 2022
MUDRA II	-	1,070.00	Repayable in 28 monthly instalments from March, 2020
Mudra III	13,940.00	20,000.00	Repayable in 33 monthly instalments from June, 2022
Nabard	-	20,000.00	Repayable in 2 annual instalments from July, 2022
NABARD Refinance	880.00	2,750.00	Repayable in 11 half yearly instalments from January, 2020
NABARD Refinance	1,500.00	2,500.00	Repayable in 11 half yearly instalments from July, 2019
NABARD Refinance	2,000.00	4,000.00	Repayable in 11 monthly instalments from January, 2019
NABARD Refinance	-	5,100.00	Repayable in 2 yearly instalments from December, 2021
Nabfin-2	101.27	1,145.55	Repayable in 24 monthly instalments from May, 2021
NABFINS III	1,032.68	1,800.00	Repayable in 12 quarterly instalments from June, 2022
NABKISAN II	499.36	999.57	Repayable in 12 quarterly instalments from June, 2021
NABKISAN III	2,017.41	2,999.99	Repayable in 12 quarterly instalments from June, 2022
Nabsamruddi - Microfinance	947.69	1,300.00	Repayable in 36 monthly instalments from May, 2022
Nabsamruddi - Solar	145.80	200.00	Repayable in 36 monthly instalments from May, 2022
Nabsamruddi - Wash	1,093.48	1,500.00	Repayable in 36 monthly instalments from May, 2022
OIKO	1,332.80	2,666.40	Repayable in 12 quarterly instalments from June, 2021
SIDBI	-	7,333.33	Repayable in 30 monthly instalments from September, 2020
SIDBI IV - 1	-	10,000.00	Repayable in 10 monthly instalments from May, 2022
SIDBI IV - 2	7,333.33	10,000.00	Repayable in 30 monthly instalments from August, 2022
Northern Arc	-	4,047.07	Repayable in 24 monthly instalments from January, 2021
Northern Arc II	734.08	2,785.40	Repayable in 24 monthly instalments from August, 2021
Muthoot Capital Services Limited	233.33	633.33	Repayable in 36 monthly instalments from disbursement
Piramal Capital and Housing Finance	1,238.10	-	Repayable in 21 Monthly instalments from August-2022
Piramal Capital and Housing Finance	2,000.00	-	Repayable in 21 Monthly instalments from September-2022
Tata Capital Services	2,750.00	-	Repayable in 24 Monthly instalments from July-2022
Sundaram Finance	4,143.69	-	Repayable in 24 Monthly instalments from August-2022
Mahindra and Mahindra	7,710.81	-	Repayable in 24 Monthly instalments from October-2022
Credit Saison	2,625.00	-	Repayable in 8 Quarterly instalments from December-2022
Hinduja Leyland Finance	2,314.44	-	Repayable in 24 Monthly instalments from October-2022
MAS Financial Services	1,500.00	-	Repayable in 24 Monthly instalments from October-2022
NABKISAN	4,999.86	-	Repayable in 11 Quarterly instalments from May-2023
Piramal Enterprises Limited	5,000.00	-	Repayable in 21 Monthly instalments from May-2023
NABARD	30,000.00	-	Repayable in 11 Quarterly instalments from June-2023
Aditya Birla Finance Ltd	3,732.32	-	Repayable in 24 Monthly instalments from February-2023
MAS Financial Services	2,625.00	-	Repayable in 24 Monthly instalments from January-2023
MAS Financial Services	1,833.33	-	Repayable in 24 Monthly instalments from February-2023

Name of Party	Outstanding as at March 31st 2023	Outstanding as at March 31st 2022	Terms of Repayment
Hinduja Leyland Finance	7,500.00	-	Repayable in 24 Monthly instalments from April-2023
ECB 1 - Responsibility	12,363.00	-	Repayable in 3 Yearly instalments from October 2024
ECB 2 - Responsibility	8,185.00	-	Repayable in 3 Yearly instalments from November 2024
Interest accrued on borrowings	38.20	69.68	-
Adjustments on account of effective rate of interest	(449.46)	(569.48)	
Total	**1,50,380.29**	**1,43,437.82**	

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(Amount in INR Lakhs, except share data and unless otherwise stated)

19 Subordinated Liabilities

Particulars	As at 31st March 2023	As at 31st March 2022
At amortised cost		
Subordinated Debt	1,41,424.47	1,61,814.67
Subordinated Debt - Listed	38,320.83	38,292.73
Unsecured Term Loan from Financial Institutions	-	2,499.74
Tier-I Capital - Perpetual Debt Instruments	48,113.39	38,419.24
Total	**2,27,858.69**	**2,41,026.38**
Borrowings in India	2,27,858.69	2,41,026.38
Borrowings outside India	-	-

(a) Subordinated Debt instruments are unsecured, subordinated to the claims of all other creditors with an initial maturity of minimum 5 years. Subordinated Debt aggregating to INR Nil (31st March 2022 : INR 7,848) are guaranteed by promoter directors (Mr. Thomas John Muthoot, Mr.Thomas George Muthoot and Mr. Thomas Muthoot) of the Company.

(b) Maturity Profile of Subordinated Debt

Particulars	Amount
FY 2022-23	47,901.09
FY 2023-24	25,991.84
FY 2024-25	15,876.99
FY 2025-26	24,804.50
FY 2026-27	21,254.71
FY 2027-28	45,176.04
Adjustments on account of effective rate of interest	(1,259.87)
TOTAL	**1,79,745.30**

(c) Unamortised Borrowing Cost on Unsecured Term Loan from Financial Institutions is INR Nil (31st March 2022: INR 0.26).

(c) Perpetual Debt Instruments are perpetual, unsecured instruments, which have been issued as per RBI guidelines. Unamortised Borrowing Cost on Perpetual Debt Instruments is INR 1,786.61 (31st March 2022: INR 1,480.76).

20 Other Financial Liabilities

Particulars	As at 31st March 2023	As at 31st March 2022
Expenses Payable	3,908.57	2,470.58
Security deposits received	907.99	612.43
Unpaid matured debt and interest accrued thereon	4,828.69	3,368.83
Interest accrued but not due on borrowings	57,897.38	57,501.17
Payable to employees	2,117.75	1,524.14
Payables towards securitisation/assignment transactions	9,203.36	1,274.68
Payable to ARCIL	192.15	-
Derivative Financial Instruments	89.19	-
Cumulative Compulsorily Convertible Preference Shares (CCCPS)	15,732.00	15,213.00
Others	6,415.69	9,788.58
Total	**1,01,292.77**	**91,753.39**

Note a

(i) The Group had during the previous year, issued 15,00,00,000, 14% CCCPS of INR 10 each at a price of INR 10 each to BPEA Credit – India Fund III – Scheme C & BPEA Credit – India Fund III – Scheme F (Collectively referred as investors) amounting to INR 15,000. The equity shares issued upon Conversion of the CCPS will in all respects rank pari passu with equity shares at the time of conversion.

(ii) CCCPS shall be convertible to equity shares at the option of the investor at any time after the expiry of a period of 43 (forty three) months from the Closing Date (refer paragraph iii for exception) or upon the expiry of a period of 10 (ten) years from the Closing Date and shall be converted at lower of the fair values of the Equity Shares as determined by the:
(a) valuation report dated December 9, 2020 issued by Ernst & Young Merchant Banking Services LLP in relation to the issuance of the CCCPS; or
(b) valuation report to be issued by a registered valuer (in a form acceptable to the holders of the CCCPS) following the issuance of the Conversion Notice by the holders of the CCCPS.

(iii) The holders of the CCCPS may issue the Conversion Notice at any time after the Closing Date, upon the occurrence of any of the following events:
(a) non-payment of dividend by the Company in manner stipulated as per agreement on the relevant dividend payment dates,
(b) credit rating of the Company falling below A- (as certified by any credit rating agency); and/or
(c) any failure by the Company to maintain a Net Interest Margin of 7.0 (Seven percent) % or higher;
(d) any failure by the Company to maintain an overall Capital to Risk Assets Ratio of 16.0 (Sixteen percent) % or higher;
(e) any failure by the Company to maintain the aggregate Tier 2 Capital at 50% (Fifty percent) or lower than the aggregate Tier 1 Capital; or
(f) any failure by the Company to maintain the Gross Non-Performing Assets at 5.5% (Five decimal five percent) or lower and Net Non-Performing Assets at 4.0% (Four percent) or lower, to be tested on a semi-annual basis for Company as on (a) 31 March of each financial year, and (b) 30 September of each financial year

Note b - Change in fair value

Particulars	As at 31st March 2023	As at 31st March 2022
Cumulative change in fair value of the preference shares attributable to changes in credit risk	732.00	213.00
Change during the year in the fair value of the preference shares attributable to changes in credit risk	519.00	213.00

Note c - Derivative Financial Instruments

The Group undertakes derivative transactions for hedging exposures relating to foreign currency borrowings. 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 March 31, 2023	
	Notional Amounts	**Fair Value Liabilities**
(i)Currency derivatives:		
-Forward Contracts	26,062.40	89.19
Total	**26,062.40**	**89.19**
Included in above are derivatives held for hedging and risk management purposes as follows:		
(i)Fair value hedging:	-	-
(ii)Cash flow hedging:		
- Currency derivatives	26,062.40	89.19
(iii)Net Investment Hedging	-	-
(iv)Undesignated Derivatives	-	-
Total Derivative Financial Instruments (i)+(ii)+(iii)+(iv)	**26,062.40**	**89.19**

No derivative transactions were undertaken by the Group during the year ended March 31, 2022.

The primary risk managed using derivative instruments is foreign currency risk. The Group has designated forward contracts as a hedging instrument to mitigate foreign exchange risk from foreign currency exposure on its borrowings. There are no derivatives not designated as hedging instruments.

21 Provisions

Particulars	As at 31st March 2023	As at 31st March 2022
Provision for employee benefits		
- Gratuity	761.06	692.68
- Provision for compensated absences	460.98	455.50
- Provision for employee stock option plan	355.14	-
Unspent amount on Corporate Social Responsibilty	25.04	25.04
Impairment on Loan Commitments	17.35	17.34
Total	**1,619.57**	**1,190.56**

22 Other Non-Financial Liabilities

Particulars	As at 31st March 2023	As at 31st March 2022
Statutory dues payable	3,470.76	2,311.72
Other non financial liabilities	4.69	4.68
Total	**3,475.45**	**2,316.40**

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(Amount in INR Lakhs, except share data and unless otherwise stated)

23 Equity share capital

(a) Authorised share capital

Equity Shares

Particulars	No. of Shares	Amount
At 1st April 2021	22,50,00,000	22,500.00
Add: Increased during the year	-	-
At 31st March 2022	22,50,00,000	22,500.00
Add: Increased during the year	-	-
At 31st March 2023	22,50,00,000	22,500.00

Preference Shares

Particulars	No. of Shares	Amount
At 1st April 2021	20,00,00,000	20,000.00
Add: Increased during the year	-	-
At 31st March 2022	20,00,00,000	20,000.00
Add: Increased during the year	-	-
At 31st March 2023	20,00,00,000	20,000.00

(b) Issued capital

Particulars	No. of Shares	Amount
At 1st April 2021	19,38,00,800	19,380.08
Add: Increased during the year	-	-
At 31st March 2022	19,38,00,800	19,380.08
Add: Increased during the year	-	-
At 31st March 2023	19,38,00,800	19,380.08

(c) Subscribed and Fully Paid Up Capital

Particulars	No. of Shares	Amount
At 1st April 2021	19,37,05,560	19,370.56
Add: Increased during the year	-	-
At 31st March 2022	19,37,05,560	19,370.56
Add: Increased during the year	-	-
At 31st March 2023	19,37,05,560	19,370.56

(d) Terms/ rights attached to equity shares :

The Group has only one class of shares namely equity shares having a face value of INR 10. Each holder of equity share is entitled to one vote per share. All shares rank pari passu with regard to dividend and repayment of capital. In the event of liquidation of Company, the holder of equity shares will be entitled to receive any of the remaining assets of the Group, after distribution of all preferential amounts.

(e) Shareholder's having more than 5% equity shareholding in the Group

Particulars	As at 31st March 2023	As at 31st March 2022
	No. of shares and % of holding	
Mr. Thomas John Muthoot *	5,14,56,049 - 26.56%	5,14,56,049 - 26.56%
Mr. Thomas George Muthoot *	5,14,56,021 - 26.56%	5,14,56,021 - 26.56%
Mr. Thomas Muthoot *	5,14,56,053 - 26.56%	5,14,56,053 - 26.56%
Ms. Preethi John Muthoot	1,29,13,704 - 6.67%	1,29,13,704 - 6.67%
Ms. Nina George	1,29,13,704 - 6.67%	1,29,13,704 - 6.67%
Ms. Remy Thomas	1,29,13,704 - 6.67%	1,29,13,704 - 6.67%

** Shares held by the promoters and their shareholding % of holding at the end of the year*

24 Other Equity

Particulars	As at 31st March 2023	As at 31st March 2022
Securities Premium	38,129.85	38,129.85
Statutory Reserve (Pursuant to Section 45-IC of the RBI Act 1934)	76,304.92	63,830.95
Statutory Reserve (Pursuant to Section 29C of the NHB Act 1987)	2,618.56	2,068.56
Retained Earnings	2,30,294.35	1,91,489.84
General Reserve	48.56	54.60
Employee stock options outstanding	730.55	296.38
Other Comprehensive income	5,860.25	3,538.77
Total	**3,53,987.03**	**2,99,408.96**

24.1. Nature and purpose of reserve

Securities Premium

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

Statutory Reserve (Pursuant to Section 45-IC of the RBI Act 1934)

Statutory Reserve represents the Reserve Fund created under Section 45-IC of the Reserve Bank of India Act, 1934.

Statutory Reserve (Pursuant to Section 29C of the NHB Act 1987)

Statutory reserve is created in terms of Section 29C of the National Housing Bank Act, 1987 read with Section 36(1)(viii) of the Income Tax Act, 1961.

Retained Earnings

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

General reserve

Represents the profits or losses made by the Employee Welfare Trust on account of issue or sale of treasury stock.

Employee stock options outstanding

The account is used to recognise the grant date value of options issued to employees under Employee stock option plan and adjusted as and when such options are exercised or otherwise expire.

Other comprehensive income

Changes in the fair value of loan assets held with the business objective of collect and sell are recognised in other comprehensive income. These changes are accumulated within the FVOCI debt investments reserve within equity. The company transfers amounts from this reserve to the statement of profit and loss when the loan assets are sold. Any impairment loss on such loans are reclassified immediately to the statement of profit and loss. Other comprehensive income also consists of re-measurement of net defined benefit liability and fair value changes on equity instruments measured through other comprehensive income.

(Amount in INR Lakhs, except share data and unless otherwise stated)

25 Interest Income

Particulars	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
On Financial Assets measured at Amortised Cost		
Interest on Loans	4,54,794.55	3,99,676.01
Interest Income from Investments	98.88	105.35
Interest on Deposit with Banks	3,610.05	2,656.96
Other Interest Income	107.40	15.15
On Financial Assets measured at fair value through other comprehensive income		
Interest on Loans	24,146.19	7,610.84
Total	**4,82,757.07**	**4,10,064.31**

26 Net gain on fair value changes

Particulars	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
(i) On trading portfolio		
- Investments	201.14	92.29
(ii) On financial instruments designated at fair value through profit or loss	229.07	-
(iii) Gain on sale of loans at fair value through other comprehensive income	11,153.74	9,103.07
(iv) Loss on fair valuation of cumulative, compulsorily convertible preference shares	(519.00)	(213.00)
Total Net gain/(loss) on fair value changes	**11,064.95**	**8,982.37**
Fair Value changes:		
- Realised	11,539.12	9,208.66
- Unrealised	(474.16)	(226.29)
Total	**11,064.95**	**8,982.37**

27 Others

Particulars	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
Income from Money transfer	657.10	720.64
Income From Forex operations	330.17	193.22
Income From Power generation	879.84	920.85
Income from Investment	1,463.84	2,056.24
Income from Software support service	108.38	177.87
Bad debt recovered	1,435.91	711.69
Other financial services	510.00	467.07
Other income	352.03	339.24
Total	**5,737.27**	**5,586.83**

28 Other Income

Particulars	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
Non-operating income	2,143.83	158.05
Total	**2,143.83**	**158.05**

29 Finance Costs

Particulars	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
Interest on borrowings	1,37,383.43	1,19,843.32
Interest on debt securities	44,701.36	50,468.07
Interest on lease liabilities	10,145.50	6,901.55
Interest on subordinate liablities	22,495.63	22,250.56
Dividend on CCCPS	2,100.00	1,050.00
Other charges	6,425.76	6,893.51
Total	**2,23,251.68**	**2,07,407.01**

30 Impairment of Financial Instruments

Particulars	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
At Amortised Cost		
Loans- at amortised cost	7,850.67	8,571.18
Impairment on loan commitments	-	4.56
Loans written off / waived off	20,958.23	10,486.17
Total	**28,808.90**	**19,061.91**

31 Employee Benefits

Particulars	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
Salaries and Wages	86,473.24	72,932.58
Contributions to Provident and Other Funds	5,558.63	4,976.30
Incentives	2,193.44	1,738.93
Bonus & Exgratia	1,412.78	1,793.85
Gratuity & Leave encashment	277.19	462.46
Share based payments	1,020.25	131.73
Staff Welfare Expenses	1,803.58	876.57
Total	**98,739.11**	**82,912.41**

32 Depreciation expense

Particulars	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
Depreciation of Tangible Assets	5,624.90	6,574.74
Depreciation of Right of Use Assets	15,187.34	16,371.61
Amortization of Intangible Assets	815.46	637.49
Total	**21,627.70**	**23,583.84**

33 Other Expenses

Particulars	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
Advertisement and publicity	8,910.35	8,463.77
AMC Charges	52.76	71.44
Auditor's fees and expenses	131.65	123.39
Communication costs	9,057.51	11,182.33
Director's fees, allowances and expenses	668.99	559.71
Donations & CSR Expenses	568.22	542.55
Impairment on assets held for sale	336.37	138.38
Insurance	1,446.87	1,162.31
Legal & Professional Charges	4,728.52	3,534.13
Office Expenses	506.26	360.05
Other Expenditure	1,499.90	1,287.78
Printing and Stationery	1,537.85	1,230.05
Rent, taxes and energy costs	6,539.16	4,511.35
Repairs and maintainence	2,775.15	2,529.28
Security Charges	4,863.51	4,679.24
Software Licence and Subscription charges	793.62	611.46
Software Development Expenses	110.30	142.29
Account written off	2,345.48	-
Travelling and Conveyance	6,332.79	4,272.38
Water Charges	16.81	16.28
Total	**53,222.07**	**45,418.18**

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(a) Auditors Remuneration

Particulars	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
As auditor		
Statutory Audit fees	82.50	82.30
Limited review fees	21.00	14.00
Tax Audit fees	7.00	9.00
For other services		
Certification and other matters	9.00	9.73
For reimbursement of expenses		
Out of pocket expenses	2.70	2.00
Total	**122.20**	**117.03**

Above figures are exclusive of GST

(b) CSR Expenditure

As required under Section 135 of the Companies Act, 2013, the Group was required to spend INR 959.62 in the reporting year in pursuance of its Corporate Social Responsibility Policy, being two per cent of the average net profits made during the three immediately preceding financial years. The Group has during the year, spent a total of INR 566.39 towards CSR expenditure. The unspent portion of INR 393.23 has been transferred to the designated bank account for Unspent Corporate Social Responsibility by the Group.

Particulars	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
(a) Amount required to be spent by the Group during the year	959.62	942.28
(b)Amount of expenditure incurred	566.39	515.51
(c) Shortfall at the end of the year	393.23	426.77
(d) Total of previous year shortfall	426.77	-
(e) Reason for shortfall	With regard to the Sports Infrastructure project at Palakkad, based on advise from Architects, a wider road alternative had to be considered, evaluation and negotiations of which delayed the start of the construction work.	Major portion of the funds was allocated for the Sports Infrastructure project at Palakkad. Due to COVID situations, the process of getting work permit has gotten delayed and is awaited from the concerned Department. The Smile Please mission-Gulbarga & another partnership project in Rajasthan also got delayed due to the COVID third wave and Omicron challenges.

Particulars	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
(f) Nature of CSR activities	CSR activities were undertaken in the fields of Health, Education & Livelihood.	CSR activities were undertaken in the fields of Health, Education & Livelihood.
(g) Details of related party trasactions	N/A	N/A
(h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	N/A	N/A

(c) In view of regulatory advise and based on approval of the Board of Directors, the Company has during the year written off non-financial assets amounting to INR 2,345.48 against Employees Provident Fund recovered from the Company in respect of dues towards provident fund of erstwhile staff.

34 Earnings Per Share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Parent Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of Parent Company (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Particulars	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
Net profit attributable to ordinary equity holders of the parent	58,877.43	39,170.72
Weighted average number of equity shares for basic earnings per share	19,37,05,560	19,37,05,560
Effect of dilution	74,92,507	60,96,643
Weighted average number of equity shares for diluted earnings per share	20,11,98,067	19,98,02,203
Earnings per share		
Basic earnings per share (INR)	30.40	20.22
Diluted earnings per share (INR)	29.26	19.60

(Amount in INR Lakhs, except share data and unless otherwise stated)

35 Income Tax

The components of income tax expense for the year ended March 31st 2023 and year ended March 31st 2022 are:

Particulars	**For the Year Ended 31st March 2023**	**For the Year Ended 31st March 2022**
Current tax	25,252.16	16,820.60
Deferred tax relating to origination and reversal of temporary differences	(2,663.94)	(2,389.50)
Income tax expense reported in statement of profit and loss	**22,588.22**	**14,431.10**
OCI Section		
Deferred tax related to items recognised in OCI during the period:		
Net gain / (loss) on equity instruments measured through other comprehensive income	138.87	16.25
Remeasurement of loan assets	(1,380.92)	(1,130.45)
Remeasurement of the defined benefit liabilities	38.99	(4.61)
Income tax charged to OCI	**(1,203.06)**	**(1,118.82)**

Reconciliation of the total tax charge:

The tax charge shown in the statement of profit and loss differ from the tax charge that would apply if all the profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31st 2023 and year ended March 31st 2022 are as follows:

Particulars	**For the Year Ended 31st March 2023**	**For the Year Ended 31st March 2022**
Accounting profit before tax	87,230.54	55,686.22
At India's statutory income tax rate of 25.168%* (2022: 25.168%)	**21,954.18**	**14,015.11**
Tax effects of adjustments		
Non deductible items	625.51	409.43
Adjustment on account of different tax rates	5.85	2.84
Others	2.68	3.73
Income tax expense reported in the statement of profit or loss	**22,588.21**	**14,431.10**
Effective Income Tax Rate	**25.89%**	**25.92%**

(Amount in INR Lakhs, except share data and unless otherwise stated)

Income Tax (contd…)

Movement in deferred tax assets/(liabilities)

Particulars	As at 31st March 2021	Recognised in Statement of Profit and Loss	Recognised in Statement of other comprehensive income	Adjusted to Retained Earnings / Other Comprehensive Income	As at 31st March 2022
Deductible temporary difference on account of depreciation and amortisation	2,698.60	384.42	-	-	3,083.02
Bonus disallowed due to non-payment	363.00	113.57	-	-	476.56
Provision for employee benefits	460.37	(314.88)	(47.70)	-	97.78
Provision for Investment Rate Fluctuation	57.48	-	-	-	57.48
Expected credit loss provision on financial assets	7,581.95	1,503.84	-	-	9,085.80
Financial assets measured at amortised cost	1,079.40	116.26	-	-	1,195.67
Fair Valuation of Financial Assets	1,066.14	902.04	16.20	-	1,984.38
Financial liabilities measured at amortised cost	(683.66)	(702.52)	-	-	(1,386.18)
Financial liabilities measured at fair value	-	53.61	-	-	53.61
Direct assignment transactions	(4,469.12)	(67.27)	(1,130.45)	-	(5,666.84)
Special reserve	(343.52)	(100.67)	-	-	(444.19)
EIS receivable	(289.46)	82.83	-	-	(206.63)
Fair value of future lease obligations in accordance with Ind AS 116	238.63	89.17	-	-	327.79
Other items giving rise to temporary differences	318.79	329.09	43.14	-	691.02
Minimum Alternate tax credit entitlement	92.88	-	-	(36.26)	56.62
Carry Forward Losses and Unabsorbed Depreciation	82.81	-	-	-	82.81
Reversal of Previous Years	(257.86)	-	-	-	(257.86)
Reversal on account of Tax rate change	(3,266.63)	-	-	-	(3,266.63)
Round Off Adjustment	0.08	-	-	-	0.08
Total	**4,729.86**	**2,389.50**	**(1,118.82)**	**(36.26)**	**5,964.28**

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Particulars	As at 31st March 2022	Recognised in Statement of Profit and Loss	Recognised in Statement of other comprehensive income	Adjusted to Retained Earnings / Other Comprehensive Income	As at 31st March 2023
Deductible temporary difference on account of depreciation and amortisation	3,083.02	75.56	-	-	3,158.58
Bonus disallowed due to non-payment	476.56	28.30	-	-	504.86
Provision for employee benefits	97.78	77.88	(16.58)	-	159.08
Provision for Investment Rate Fluctuation	57.48	-	-	-	57.48
Expected credit loss provision on financial assets	9,085.80	840.48	-	-	9,926.28
Financial assets measured at amortised cost	1,195.67	960.80	-	-	2,156.47
Fair Valuation of Financial Assets	1,984.38	(101.18)	129.27	-	2,012.48
Financial liabilities measured at amortised cost	(1,386.18)	(630.72)	-	-	(2,016.89)
Financial liabilities measured at fair value	53.61	911.09	-	-	964.70
Direct assignment transactions	(5,666.84)	24.09	(1,381.44)	-	(7,024.19)
Special reserve	(444.19)	(138.44)	-	-	(582.63)
EIS receivable	(206.63)	84.74	-	-	(121.89)
Fair value of future lease obligations in accordance with Ind AS 116	327.79	168.57	-	-	496.37
Other items giving rise to temporary differences	691.02	362.80	55.60	-	1,109.42
Cash flow hedge reserve	-	-	10.11	-	10.11
Minimum Alternate tax credit entitlement	56.62	-	-	-	56.62
Carry Forward Losses and Unabsorbed Depreciation	82.81	-	-	-	82.81
Reversal of Previous Years	(257.86)	-	-	-	(257.86)
Reversal on account of Tax rate change	(3,266.63)	-	-	-	(3,266.63)
Round Off Adjustment	0.08	(0.04)	(0.02)	-	0.02
Total	**5,964.28**	**2,663.94**	**(1,203.06)**	**-**	**7,425.19**

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(Amount in INR Lakhs, except share data and unless otherwise stated)

36 Retirement Benefit Plan

Defined Contribution Plan

The Group makes contributions to Provident Fund & Employee State Insurance which are defined contribution plans for qualifying employees. The amounts recognized for the aforesaid contributions in the statement of profit and loss are shown below:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Contributions to Provident Fund	4,411.06	3,883.35
Contributions to Employee State Insurance	1,103.65	1,057.38
Defined Contribution Plan	**5,514.70**	**4,940.73**

Defined Benefit Plan

The Group has a defined benifit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on leaving the service of the Group at 15 days salary (last drawn salary) for each completed year of service.

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.

Particulars	As at 31st March, 2023	As at 31st March, 2022
Present value of funded obligations	4,763.27	4,322.66
Fair value of planned assets	4,002.20	3,629.98
Defined Benefit obligation/(asset)	**761.06**	**692.68**

Post employment defined benefit plan

Net benefit expense recognised in statement of profit and loss	As at 31st March, 2023	As at 31st March, 2022
Current service cost	710.04	732.36
Net Interest on net defined benefit liablity/ (asset)	43.08	139.67
Net benefit expense	**753.12**	**872.04**

Balance Sheet

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

Particulars	As at 31st March, 2023	As at 31st March, 2022
Defined benefit obligation at the beginning of the year	4,322.66	3,757.45
Current service cost	710.04	732.36
Interest cost on benefit obligations	291.96	237.70
Actuarial (Gain) / Loss on Total Liabilities	133.93	36.19
Benefits paid	(695.32)	(441.05)
Benefit obligation at the end of the year	**4,763.27**	**4,322.66**

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

Particulars	**As at 31st March, 2023**	**As at 31st March, 2022**
Fair value of plan assets at the beginning of the year	3,629.98	1,570.65
Actual Return on Plan Assets	227.88	152.56
Employer contributions	808.88	2,342.96
Benefits paid	(664.54)	(436.18)
Fair value of plan assets as at the end of the year	**4,002.20**	**3,629.99**

Remeasurement gain/ (loss) in other comprehensive income (OCI)	**As at 31st March, 2023**	**As at 31st March, 2022**
Actuarial changes arising from changes in financial assumptions	108.21	84.02
Experience adjustments	(242.13)	(187.95)
Return on Plan assets, excluding amount included in net interest on the net defined benefit liablity/(asset)	(21.00)	122.27
Actuarial (gain) / loss (through OCI)	**(154.93)**	**18.34**

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

Particulars	**As at 31st March, 2023**	**As at 31st March, 2022**
Salary Growth Rate	3% to 12%	0 % to 10%
Discount Rate	7.29% to 7.46%	4.25 % to 5.79%
Withdrawal Rate	5% to 31%	5 % to 23%
Mortality	100% of IALM 2012-14	100% of IALM 2006-2008
Interest rate on net DBO	5.15% to 7.12%	4.25 % to 5.79%
Expected average remaining working life	2 Yrs to 32.76 Yrs	2 Yrs to 33.08Yrs

Investments quoted in active markets:

Particulars	**As at 31st March, 2023**	**As at 31st March, 2022**
Equity instruments	-	-
Debt instruments	-	-
Real estate	-	-
Derivatives	-	-
Investment Funds with Insurance Group	0 - 100%	0 - 100%
Of which, Unit Linked	-	-
Of which, Traditional/ Non-Unit Linked	0 - 100%	0 - 100%
Asset-backed securities	-	-
Structured debt	-	-
Cash and cash equivalents	-	-
Total	0-100%	0-100%

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A quantitative sensitivity analysis for significant assumptions as at March 31, 2023 and March 31, 2022 are as shown below:

Assumptions	Sensitivity Level	As at 31st March, 2023	As at 31st March, 2022
Discount Rate	Increase by 1%	4,500.20	4,090.48
Discount Rate	Decrease by 1%	5,063.50	4,617.29
Further Salary Increase	Increase by 1%	5,063.16	4,645.79
Further Salary Increase	Decrease by 1%	4,498.16	4,034.70
Employee turnover	Increase by 1%	4,817.51	4,366.69
Employee turnover	Decrease by 1%	4,699.67	4,271.16
Mortality Rate	Increase in expected lifetime by 1 year	4,749.34	4,353.86
Mortality Rate	Increase in expected lifetime by 3 years	4,720.92	4,263.10

1. The weighted average duration of the defined benefit obligation as at 31st March 2023 is 4 to 11 years (2022: 5 to 10 years).
2. Gratuity liability is funded through a Gratuity Fund managed by Life Insurance Corporation of India Ltd.
3. 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.
4. The principal assumptions used in determining leave encashment obligations for the Company's plans are shown below:

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

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

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(Amount in INR Lakhs, except share data and unless otherwise stated)

37 Maturity analysis of assets and liabilities

Particulars	As at 31st March, 2023			As at 31st March, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	3,35,294.75	-	3,35,294.75	3,15,246.43	-	3,15,246.43
Bank Balance other than above	34,666.76	23,126.37	57,793.13	30,453.94	11,164.76	41,618.70
Trade receivables	8,232.85	2,116.67	10,349.53	4,319.23	-	4,319.23
Loans	21,13,089.89	4,59,814.01	25,72,903.90	19,61,933.61	3,04,475.05	22,66,408.66
Investments	4,287.97	10,943.49	15,231.46	6,187.95	4,084.76	10,272.71
Other financial assets	10,696.14	4,701.99	15,398.13	4,691.06	9,574.07	14,265.13
Non-financial Assets						
Current tax assets (net)	-	1,249.67	1,249.67	2,997.82	4,199.89	7,197.71
Deferred tax assets (net)	-	13,547.86	13,547.86	-	9,959.42	9,959.42
Investment Property	-	26,119.76	26,119.76	-	30,236.55	30,236.55
Property, plant and equipment	-	45,646.57	45,646.57	-	43,392.79	43,392.79
Intangible assets under development	-	880.25	880.25	-	-	-
Other intangible assets	-	1,731.77	1,731.77	-	1,953.04	1,953.04
Right-of-use assets	13,703.08	78,164.60	91,867.68	9,896.03	56,362.54	66,258.57
Other non financial assets	23,845.11	1,601.25	25,446.36	6,697.03	24,420.64	31,117.67
Total assets	**25,43,816.54**	**6,69,644.27**	**32,13,460.81**	**23,42,423.09**	**4,99,823.51**	**28,42,246.60**
Liabilities						
Financial Liabilities						
Trade payables	553.93	-	553.93	343.69	-	343.69
Other Payables	5,610.42	-	5,610.42	5,749.19	31.49	5,780.68
Debt Securities	2,08,071.50	2,33,586.54	4,41,658.04	1,59,738.41	2,87,602.62	4,47,341.02
Borrowings (other than debt security)	13,17,039.46	5,77,503.53	18,94,542.99	11,66,704.05	4,34,387.87	16,01,091.91
Lease Liability	20,644.13	82,058.78	1,02,702.92	15,524.02	58,709.09	74,233.12
Subordinated Liabilities	47,775.65	1,80,083.04	2,27,858.69	45,996.80	1,95,029.58	2,41,026.38
Other Financial liabilities	59,307.26	41,985.50	1,01,292.77	52,086.19	39,667.21	91,753.39
Non-financial Liabilities						
Current tax liabilities (net)	2,305.00	-	2,305.00	58.26	-	58.26
Provisions	483.41	1,136.17	1,619.57	303.70	886.86	1,190.56
Deferred tax liabilities (net)	-	6,122.67	6,122.67	-	3,995.14	3,995.14
Other non-financial liabilities	3,475.45	-	3,475.45	2,316.40	-	2,316.40
Total Liabilities	**16,65,266.21**	**11,22,476.23**	**27,87,742.45**	**14,48,820.70**	**10,20,309.85**	**24,69,130.56**
Net	**8,78,550.33**	**(4,52,831.97)**	**4,25,718.36**	**8,93,602.39**	**(5,20,486.34)**	**3,73,116.05**

38 Contingent Liabilities (to the extent not provided for)

Particulars	As at 31st March 2023	As at 31st March 2022
(i) Contingent Liabilities		
(i) Income Tax Demands	3,420.85	3,419.85
(ii) Service Tax Demands	5,106.18	5,106.18
(iii) Value Added Tax Demands	1,327.12	1,327.12
(iv) Bank Guarantees	43.81	36.90
(v) Claims not acknowledged as debt in view of counter claims raised	-	917.78
(vi) Cash Margin on Securitisation	33,819.60	20,253.40

(vii) The Company had filed a Writ Petition before the Honourable High Court of Madras on 30th July, 2019 challenging the Order passed by the Income Tax Settlement Commission, Chennai Bench abating the proceedings before it relating to the Settlement Application filed by the Company dated December 17, 2017 ("Settlement Application"); and praying for stay on proceedings initiated by the Joint Commissioner of Income Tax (OSD), Central Circle, Thiruvananthapuram post abatement of proceedings by the Settlement Commission. The tax and interest due on the issues forming part of the Settlement Application totaled to ₹ 7,406 lakh. The Settlement Application related to notices received under Section 147 of the Income Tax Act, as per which the income chargeable to tax for the Financial Years 2011-12 to 2016-17 of MFL has not been assessed, and Section 153A of the Income Tax Act, as per which MFL was required to prepare true and correct return of which MFL was assessable for the Assessment Years 2011-2012 to 2016-2017. The Honourable High Court of Madras has dismissed the petition filed by the Company on June 29, 2022 on the ground that the cause of action of the matter has arisen fully in Kerala and not within the territorial jurisdiction of the honourable Madras High Court, thereby ousting its jurisdiction to entertain the petition. Accordingly, the Company has filed a writ petition before the Honorable High Court of Kerala proceedings of which are ongoing.

(viii) Other commitments

Loan commitment in respect of partly disbursed loans is INR 5,556.85 (31 March 2022 : INR 4,419.14).

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39 Related Party Disclosures

Names of Related parties with whom transaction has taken place

(A) Subsidiaries

Muthoot Microfin Limited
Muthoot Housing Finance Company Limited
Muthoot Pappachan Technologies Private Limited

(B) Key Management Personnel	Designation
Thomas John Muthoot	Managing Director
Thomas George Muthoot	Director
Thomas Muthoot	Wholetime Director Cum Chief Financial Officer
Preethi John Muthoot	Director
Kurian Peter Arattukulam	Director
Vikraman Ampalakkat	Director
Badal Chandra Das	Director
Ravi Ramchandran	Director
Sachu Sivas	Company Secretary

(C) Enterprises owned or significantly influenced by key management personnel or their relatives

MPG Hotels and Infrastructure Ventures Private Limited
Muthoot Automotive (India) Private Limited
Muthoot Automobile Solutions Private Limited
Muthoot Capital Services Limited
Muthoot Motors Private Limited
Muthoot Risk Insurance and Broking Services Private Limited
Muthoot Pappachan Chits (India) Private Limited
Muthoot Exim Private Limited
Muthoot Kuries Private Limited
MPG Security Group Private Limited
Muthoot Estate Investments
Muthoot Motors (Cochin)
Muthoot Pappachan Foundation
M-Liga Sports Excellence Private Limited
Thinking Machine Media Private Limited
Muthoot Hotels Private Limited
Speckle Internet Solutions Private Limited

(D) Relatives of Key Management Personnel

Janamma Thomas
Nina George
Remmy Thomas
Thomas M John
Suzannah Muthoot
Hannah Muthoot
Tina Suzanne George
Ritu Elizabeth George
Shweta Ann George

Related Party transactions during the year:

Particulars	Key Management Personnel & Directors		Relatives of Key Management Personnel		Entities over which Key Management Personnel and their relatives are able to exercise significant influence	
	Year Ended 31st March 2023	Year Ended 31st March 2022	Year Ended 31st March 2023	Year Ended 31st March 2022	Year Ended 31st March 2023	Year Ended 31st March 2022
Revenue						
Auction of Gold Ornaments	-	-	-	-	2,653.27	6,104.86
Commission Received	-	-	-	-	1,359.67	1,225.44
Rent received	-	-	-	-	304.74	286.39
Revenue from Travel Services	1.54	1.59	0.40	-	47.81	10.10
Interest accrued on loans & advances	1,964.98	2,388.00	-	-	-	29.66
Processing fee received	37.50	-	-	-	-	-
Interest on ICD	-	-	-	-	44.49	-
Sale of Used Assets	-	-	-	-	-	0.03
Professional Charges-IT support	-	-	-	-	107.63	177.87
Expense						
Commission Paid	600.00	500.00	-	-	2.10	17.09
Interest paid	544.07	531.66	71.83	78.74	318.80	336.22
Hotel Service payments	-	-	-	-	28.16	28.31
Professional & Consultancy Charges	-	-	-	-	2,095.55	2,104.14
Purchase of Gold Coins	-	-	-	-	3.02	90.77
Reimbursement of Expenses	-	-	-	-	(32.82)	(20.46)
Rent paid	199.68	174.90	-	-	19.60	17.51
Remuneration Paid	6,008.79	5,039.60	52.37	41.00	-	-
Annuity insurance	203.60	-	-	-	-	-
Sitting Fee paid	13.75	13.50	-	-	-	-
Incentive paid	-	-	-	-	63.34	-
Marketing Expense	-	-	-	-	50.00	-
Trademark fee	1.00	6.00	-	-	-	-
Repairs and maintenance	-	-	-	-	4.73	1.89
Asset						
Advance for CSR Activities	-	-	-	-	577.09	523.31
Investment made in Equity	-	-	-	-	-	200.00
Loans Advanced	15,000.00	-	-	-	-	-
Loan repayments received	(19,900.00)	-	-	-	-	(290.00)
Purchase of shares of MML	18,608.52	-	4,616.48	-	-	-
ICD advanced	-	-	-	-	7,000.00	-
ICD repaid	-	-	-	-	(7,000.00)	-
Purchase of Vehicle	-	-	-	-	-	10.74
Refund received against advance for property	(1,588.53)	-	(133.87)	-	(5,277.60)	(3,000.00)

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Related Party transactions during the year (contd.):

Particulars	Key Management Personnel & Directors		Relatives of Key Management Personnel		Entities over which Key Management Personnel and their relatives are able to exercise significant influence	
	Year Ended 31st March 2023	Year Ended 31st March 2022	Year Ended 31st March 2023	Year Ended 31st March 2022	Year Ended 31st March 2023	Year Ended 31st March 2022
Liability						
Advance received towards Owners share	-	-	-	-	600.00	432.15
Investment in Debt Instruments	-	-	0.50	0.50	-	1.00
Redemption of Investment in Debt Securities	-	-	(155.00)	(1.14)	(24.99)	-
Security Deposit Accepted	-	-	-	-	87.36	141.44
Security Deposit Repaid	-	-	-	-	(70.95)	(167.13)
Loan Availed	350.00	-	-	-	860.00	60.00
Loan Repaid	(400.09)	-	-	-	(900.00)	(1,400.00)
Dividend Paid	1,170.97	10,036.91	180.80	1,549.71	4.17	35.72

Balance outstanding as at the year end:

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Entities over which Key Management Personnel and their relatives are able to exercise significant influence	
	Year Ended 31st March 2023	Year Ended 31st March 2022	Year Ended 31st March 2023	Year Ended 31st March 2022	Year Ended 31st March 2023	Year Ended 31st March 2022
Asset						
Advance for CSR Activities	-	-	-	-	10.71	8.05
Advance for Property/Shares	-	1,588.53	-	133.87	19,000.17	24,277.77
Advance received towards Owners share	-	-	-	-	2,859.42	903.13
Commission Receivable	-	-	-	-	129.53	73.67
Expense Reimbursements Receivable	-	-	-	-	1.09	1.48
Interest on Loan Receivable	774.25	61.55	-	-	-	-
Loans Advanced	15,000.00	19,900.00	-	-	-	-
Rent Receivable	-	-	-	-	14.60	12.40
Travel Service Receivables	1.99	0.79	-	-	7.90	4.06
Security Deposit advanced	-	3.58	-	-	-	-
Debtors	-	-	-	-	-	8.33
Investment in Equity Outstanding	-	-	-	-	226.00	226.00
Liability						
Collection balance payable	-	-	-	-	-	0.22
Commission Payable	-	-	-	-	0.04	0.27
Interest Payable	13.88	83.00	6.44	54.22	15.35	13.93
Rent Payable	10.68	6.66	-	-	1.77	0.92
Investment in Debt Instruments	395.00	267.30	305.55	332.33	159.66	107.53
PDI issued	4,045.00	3,845.00	390.00	355.00	2,793.00	1,025.00
Professional & Consultancy Charges payable	-	-	-	-	-	0.12
Security Deposit received	3.58	-	-	-	49.01	31.94
Loan outstanding	350.00	400.09	-	-	653.33	693.33
Expense Payable	1.08	1.08	-	-	1.15	4.15

Note

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

Compensation of key management personnel of the Company:

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

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Short–term employee benefits	6,022.54	5,053.10
Post-employment benefits	203.60	-
Total compensation paid to key managerial personnel	**6,226.14**	**5,053.10**

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(Amount in INR Lakhs, except share data and unless otherwise stated)

40 Fair Value Measurement

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 (i.e., an exit price), 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.

Fair Value Hierarchy of assets and liabilities

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy as at 31st March 2023:

Particulars	At FVTPL			
	Level-1	Level-2	Level-3	Total
Financial Assets				
Investment in JM Financial India Fund II	236.50	-	-	236.50
Investment in Strugence Debt Fund	997.61	-	-	997.61
Investment in BPEA India Credit - Trust II	168.86	-	-	168.86
Investments in Mutual Fund	650.10	-	-	650.10
Investments in Security Receipts	-	-	2,662.07	2,662.07
Financial Liabilities				
Cumulative Compulsorily Convertible Preference Shares (CCCPS)	-	-	15,732.00	15,732.00
Derivative financial instruments (Liability)	-	89.19	-	89.19

Particulars	At FVTOCI			
	Level-1	Level-2	Level-3	Total
Financial Assets				
Investment in Muthoot Pappachan Chits Private Limited	-	14.94	-	14.94
Investment in Avenues India Private Limited	-	479.10	-	479.10
Investment in Fair Asset Technologies (P) Limited	-	720.64	-	720.64
Investment In The Thinking Machine Media Private Limited	-	18.00	-	18.00
Investment In Speckle Internet Solutions Private Limited	-	42.86	-	42.86
Investment in Equity Shares (DP account with Motilal Oswal)	1,690.38	-	-	1,690.38
Investment in PMS - Motilal Oswal	231.12	-	-	231.12
Loans	-	-	2,14,366.76	2,14,366.76

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy as at 31st March 2022:

Particulars	At FVTPL			
	Level-1	Level-2	Level-3	Total
Financial Assets				
Investment in JM Financial India Fund II	156.37	-	-	156.37
Inv-Strugence Debt Fund	997.48			997.48
Inv-BPEA India Credit - Trust II	514.24			514.24
Investments in Mutual Fund	4,076.39	-	-	4,076.39
Financial Liabilities				
Cumulative Compulsorily Convertible Preference Shares (CCCPS)	-	-	15,213.00	15,213.00

Particulars	At FVTOCI			
	Level-1	Level-2	Level-3	Total
Financial Assets				
Investment in Muthoot Pappachan Chits Private Limited	-	15.14	-	15.14
Investment in Avenues India Private Limited	-	477.67	-	477.67
Investment in Fair Asset Technologies (P) Limited	-	719.85	-	719.85
Investment In The Thinking Machine Media Private Limited	-	18.00	-	18.00
Investment In Speckle Internet Solutions Private Limited		198.10		198.10
Investment in Equity Shares (DP account with Motilal Oswal)	1,646.32	-	-	1,646.32
Investment in PMS - Motilal Oswal	465.24	-	-	465.24
Loans	-	-	2,06,894.06	2,06,894.06

The fair value of financial instruments as referred to above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:
Level 1: Quoted prices (unadjusted) for identical instruments in an active market;
Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and
Level 3: Inputs which are not based on observable market data (unobservable inputs).

Fair value technique

Investments at fair value
The equity instruments which are actively traded on public stock exchanges with readily available active prices on a regular basis are classified as Level 1. Units held in mutual funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions are generally Level 1. Equity instruments in non-listed entities are initially recognised at transaction price and re-measured as per fair valuation report and valued on a case-by-case has been classified as Level 2.

Investment at fair value through profit and loss
For investment at fair value through profit and loss, valuation are done using quoted prices from active markets or on published Net Asset Values of the investment at the measurement date or at the nearest available date.
Investments in Security receipts (SRs) are classified as Financial Assets measured at FVTPL. Since the investment was made in the month of March 2023 and the investment value approximates the net asset value as at March 31, 2023 as confirmed by the Asset Reconstruction Company (ARC), disclosure of sensitivity of fair value measurement in unobservable inputs is not considered relevant.

Financial Liabilities with significant unobservable inputs (Level 3)
This level of hierarchy includes financial liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data, this level of hierarchy includes cumulative compulsory convertible preference shares.
The fair value of the CCCPS is measured using the Monte Carlo Simulation technique. The Monte Carlo Simulation Method is one where a risk-neutral framework is used to simulate a range of simulated values, representing all the potential paths a variable could move over the period of the simulation. The inputs to this model are taken from observable market where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Significant unobservable inputs	As at March 31, 2023		As at March 31, 2022	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Discount Rate of CCCPS Coversion Feature	(544.00)	564.72	(511.25)	531.08
Discount for Lack of Marketability	(242.03)	242.03	(234.05)	234.05

Loan assets carried at fair value through other comprehensive income

Loan receivables valuation is carried out for two portfolios segregated on the basis of repayment frequency – monthly and weekly. The valuation of each portfolio is done by discounting the aggregate future cash flows with risk-adjusted discounting rate for the remaining portfolio tenor.

Following inputs have been used to calculate the fair value of loans receivables:

(i) Future cash flows: Include principal receivable, interest receivable and tenor information based on the repayment schedule agreed with the borrowers. Inputs include:

(ii) Risk-adjusted discount rate:

This rate has been arrived using the cost of funds approach.

The following inputs have been used:
(i) Cost of funds
(ii) Credit spread of borrowers
(iii) Servicing cost of a financial asset

Loan portfolio	Fair valuation as at March 31, 2023	Fair valuation as at March 31, 2022
Monthly	1,51,105.20	1,46,330.73
Weekly	48,833.30	65,938.08
Total	**1,99,938.50**	**2,12,268.82**

Fair value measurement of Financial Assets sensitivity to significant unobservable inputs as at the end of each reporting period is as follows:

Particulars	Fair valuation as at March 31, 2023	Fair valuation as at March 31, 2022
Impact on fair value if change in risk adjusted discount rate		
- Impact due to increase of 0.50 %	(850.00)	(916.00)
- Impact due to decrease of 0.50 %	855.00	922.00
Impact on fair value if change in probability of default (PD)		
- Impact due to increase of 0.50 %	(347.00)	(316.00)
- Impact due to decrease of 0.50 %	348.00	317.00
Impact on fair value if change in loss given default (LGD)		
- Impact due to increase of 0.50 %	(14.00)	(89.00)
- Impact due to decrease of 0.50 %	14.00	89.00

Reconciliation

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

Particulars	As at 31st March 2023		As at 31st March 2022	
	Loan assets	Preference Shares other than those that qualify as Equity	Loan assets	Preference Shares other than those that qualify as Equity
Opening balance	2,12,268.82	15,213	98,845.07	-
Loan originated / Preference shares issued	1,99,176.19	-	2,06,558.91	15,000.00
Sales/derecognition	(65,517.95)	-	(32,655.95)	-
Total gain and losses				
in profit and loss	-	519.00	-	213.00
in OCI	5,488.43	-	4,491.27	-
Settlements / conversion	(1,51,476.98)	-	(64,970.47)	-
Closing balance	**1,99,938.50**	**15,732.00**	**2,12,268.82**	**15,213.00**

(Amount in INR Lakhs, except share data and unless otherwise stated)

Fair Value Measurement (contd…)

Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

Particulars	Level	Carrying Value		Fair Value	
		As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
Financial assets					
Cash and cash equivalents	1	3,35,294.75	3,15,246.43	3,35,294.75	3,15,246.43
Bank Balance other than above	1	57,793.13	41,618.70	57,793.13	41,618.70
Trade receivables	3	10,349.53	4,319.23	10,349.53	4,319.23
Loans	3	23,58,537.14	20,59,514.60	23,58,537.14	20,59,514.60
Investments - at amortised cost	3	7,319.28	987.91	7,319.28	987.91
Other Financial assets	3	15,398.13	14,265.13	15,398.13	14,265.13
Financial assets		**27,84,691.96**	**24,35,951.99**	**27,84,691.96**	**24,35,951.99**
Financial Liabilities					
Payable	3	6,164.34	6,124.37	6,164.34	6,124.37
Debt securities	3	4,41,658.04	4,47,341.02	4,41,658.04	4,47,341.02
Borrowings (other than debt securities)	3	18,94,542.99	16,01,091.91	18,94,542.99	16,01,091.91
Lease Liabilities		1,02,702.92	74,233.11	1,02,702.92	74,233.11
Subordinated liabilities	3	2,27,858.69	2,41,026.38	2,27,858.69	2,41,026.38
Other financial liabilities	3	85,471.58	76,540.39	85,471.58	76,540.39
Financial Liabilities		**27,58,398.56**	**24,46,357.19**	**27,58,398.56**	**24,46,357.19**

Valuation techniques

Short-term financial assets and liabilities

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

Loans and advances to customers

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

Fair values of portfolios are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics ie, type of loan. The Company then calculates and extrapolates the fair value to the entire portfolio using Effective interest rate model that incorporate interest rate estimates considering all significant characteristics of the loans. The credit risk is applied as a top-side adjustment based on the collective impairment model incorporating probability of defaults and loss given defaults. Hence, the carrying amount of such financial assets at amortised cost net of impairment loss allowance is of reasonable approximation of their fair value.

Financial liability at amortised cost

The fair values of financial liability held-to-maturity are estimated using a effective interest rate model based on contractual cash flows using actual yields. Since the cost of borrowing on the reporting date is not expected to be significantly different from the actual yield considered under effective interest rate model, the carrying value of financial liabilities at amortised cost is considered a reasonable approximation of their fair value.

(Amount in INR Lakhs, except share data and unless otherwise stated)

41 Segment Reporting

The Board of Directors and the Managing Director of the Company together constitute the Chief Operating Decision Maker ("CODM"). Operating segment are components of the Group whose operating results are regularly reviewed by the CODM to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Group is engaged primarily on the business of "Financing" only, taking into account the risks and returns, the organization structure and the internal reporting systems. All the operations of the Group are in India. All non-current assets of the Group are located in India. Accordingly, there are no separate reportable segments as per Ind AS 108 – "Operating Segments".

42 Change in liabilities arising from financing activities

Particulars	As at 31st March, 2022	Cash Flows	Changes in fair value (gain)/loss	Ind AS 116 - Lease Liabilities	Others	As at 31st March, 2023
Debt Securities	4,47,341.02	(6,198.72)	-	-	515.74	4,41,658.04
Borrowings other than debt securities	16,01,091.91	2,95,485.68	-	-	(2,034.60)	18,94,542.99
Lease Liabilities	74,233.11	(21,067.96)	-	49,537.77	-	1,02,702.92
Subordinated Liabilities	2,41,026.38	(12,095.29)	-	-	(1,072.40)	2,27,858.69
Total liabilities from financing activities	**23,63,692.42**	**2,56,123.70**	**-**	**49,537.77**	**(2,591.25)**	**26,66,762.64**

Particulars	As at 31st March, 2021	Cash Flows	Changes in fair value (gain)/loss	Ind AS 116 - Lease Liabilities	Others	As at 31st March, 2022
Debt Securities	4,82,831.10	(35,218.61)	-	-	(271.47)	4,47,341.02
Borrowings other than debt securities	14,56,521.18	1,46,692.17	-	-	(2,121.44)	16,01,091.91
Lease Liabilities	55,998.56	(19,575.16)	-	37,809.72	-	74,233.11
Subordinated Liabilities	2,52,008.33	(9,201.75)	-	-	(1,780.20)	2,41,026.38
Total liabilities from financing activities	**22,47,359.16**	**82,696.65**	**-**	**37,809.72**	**(4,173.11)**	**23,63,692.42**

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43 Risk Management

The Group's principal financial liabilities comprise of borrowings and trade and other payables. The main purpose of these financial liabilities is to finance and support the Group's operations. The Group's principal financial assets include loans, investments, cash and cash equivalents, trade receivables and other receivables that derive directly from its operations.
As a financial lending institution, Group is exposed to various risks that are related to lending business and operating environment. The principal objective in Group's risk management processes is to measure and monitor the various risks that Group is subject to and to follow policies and procedures to address such risks.
The Groups Risk Management Committee (RMC) comprise of the Board of directors constituted in accordance with the RBI rules. The RMC has overall responsibility for overseeing the implementation of the Risk Management Policy. The committee meets on a quarterly basis to review the risk management practices and working of the risk management department. The committee is chaired by an Independent Director. Risk Management Department periodically places its report to the committee for review. The committee's suggestions for improving the risk management practices are implemented by the Risk Management Department.
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.
The major type of risk Group faces in business are credit risk, liquidity risk, market risk and operational risk.

I) 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 major income generating activity is gold loan, housing loan, microfinance loan personal loans and others.
The Group addressess credit risk through following major processess:

- Standardize the process of identifying new risks and designing appropriate controls for these risks
- Minimize losses due to defaults or untimely payments by borrowers
- Maintain an appropriate credit administration and loan review system
- Establish metrics for portfolio monitoring
- Design appropriate credit risk mitigation techniques
- Structured and standardised credit approval process
- Verification of credit history from credit bureau agencies, personal verification of customers business and residence
- Technical and Legal Verification
- Comprehensive credit risk assessment and cash flow analysis

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.

A) Impairment Assessment

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

Definition of default and care

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 or whether Stage 2 is appropriate.
The Group considers a financial instrument as 'cured' and therefore re-classified out of Stage 3 during the year only once the entire dues have been received.

Rating	**Loans Days past due (DPD)**	**Stages**
High grade	Not yet due	Stage I
Standard grade	1-30 DPD	Stage I
Sub-standard grade	31-60 DPD	Stage II
Past due but not impaired	61-89 DPD	Stage II
Individually impaired	90 DPD or More	Stage III

Exposure at Default (EAD)

The outstanding balance as at the reporting date is considered as EAD by the Group.

Probability of default (PD)

The Probability of Default is an estimate of the likelihood of default over a given time horizon. To calculate the ECL for a Stage 1 loan, the Group assesses the possible default events within 12 months for the calculation of the 12 month ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments. The 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. PD is calculated using Incremental 90 day DPD approach considering fresh slippage using historical information.

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 31st March 2023 and 31st March 2022.

Loss Given Default (LGD)

The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Group expects to receive.

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.

When estimating ECLs on a collective basis for a group of similar assets, the Group applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Significant Increase in credit risk

The internal rating model evaluates the loans on an ongoing basis. The rating model also assesses if there has been a significant increase in credit risk since the previously assigned risk grade. One key factor that indicates significant increase in credit risk is when contractual payments are more than 30 days past due.

II) Liquidity risk

Asset Liability Management (ALM)

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 treasury team sources funds from multiple sources, including from banks, financial institutions, capital & retail markets to maintain a healthy mix of sources. They are 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.

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The table below shows the maturity pattern of the assets and liabilities:

Maturity pattern of assets and liabilities as on 31st March 2023:

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
Cash and cash equivalents	3,10,730.82	19,517.03	1,427.90	-	3,619.00	-	-	-	3,35,294.75
Bank Balance other than (a) above	8,728.04	141.04	32.02	7,112.17	18,653.49	23,126.37	-	-	57,793.13
Receivables	2,833.52	4,612.92	35.83	248.11	502.47	2,116.67	-	-	10,349.53
Loans	2,83,181.21	1,41,156.73	1,72,799.54	7,15,748.12	8,00,204.28	2,92,580.16	26,243.08	1,40,990.77	25,72,903.90
Investments	2,631.50	59.90	59.90	179.69	1,356.99	1,233.69	7,209.85	2,499.95	15,231.46
Other Financial assets	9,316.11	106.25	74.51	181.93	1,017.34	1,580.97	761.93	2,359.09	15,398.13
Total	**6,17,421.21**	**1,65,593.87**	**1,74,429.70**	**7,23,470.02**	**8,25,353.57**	**3,20,637.86**	**34,214.87**	**1,45,849.81**	**30,06,970.90**
Payables	165.99	77.59	77.59	232.77	-	-	-	-	553.93
Other Payables	5,506.34	-	-	-	104.08	-	-	-	5,610.42
Debt Securities	22,409.62	9,996.89	8,445.98	56,780.82	1,10,438.19	1,60,667.90	59,210.70	13,707.93	4,41,658.04
Borrowings (other than Debt Securities)	2,54,271.33	71,234.57	1,48,938.92	2,00,659.65	6,41,934.99	4,82,175.96	68,102.58	27,225.00	18,94,542.99
Subordinated Liabilities	5,889.30	4,040.52	3,174.20	9,075.22	25,596.41	41,934.45	45,729.27	92,419.32	2,27,858.69
Other Financial liabilities	31,960.70	2,019.41	1,565.31	7,028.12	16,733.72	30,929.10	8,330.13	2,726.28	1,01,292.77
Total	**3,20,203.27**	**87,368.98**	**1,62,202.00**	**2,73,776.58**	**7,94,807.39**	**7,15,707.41**	**1,81,372.68**	**1,36,078.52**	**26,71,516.83**

Maturity pattern of assets and liabilities as on 31st March 2022:

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
Cash and cash equivalents	3,08,003.26	2,405.67	1,180.50	-	3,657.00	-	-	-	3,15,246.43
Bank Balance other than (a) above	6,916.52	-	697.77	9,156.46	13,683.19	11,013.08	151.68	-	41,618.70
Receivables	3,882.66	24.75	19.67	59.02	333.14	-	-	-	4,319.23
Loans	3,26,581.87	1,03,696.85	1,21,465.22	6,51,574.59	7,58,615.07	1,65,092.38	22,947.62	1,16,435.06	22,66,408.66
Investments	3,761.56	629.50	-	596.89	1,200.00	1,511.72	-	2,573.04	10,272.71
Other Financial assets	2,556.28	337.64	165.22	499.56	1,132.35	4,661.38	737.87	4,174.83	14,265.13
Total	**6,51,702.16**	**1,07,094.40**	**1,23,528.39**	**6,61,886.52**	**7,78,620.75**	**1,82,278.56**	**23,837.16**	**1,23,182.92**	**26,52,130.86**
Payables	197.39	146.30	-	-	-	-	-	-	343.69
Other Payables	5,600.72	131.15	2.32	11.75	3.26	16.98	14.51	-	5,780.68
Debt Securities	28,738.06	12,441.67	15,054.30	21,457.73	82,046.65	2,30,380.14	44,745.81	12,476.68	4,47,341.02
Borrowings (other than Debt Securities)	57,425.76	51,136.15	57,501.68	2,09,159.77	7,91,480.69	3,70,643.71	37,938.85	25,805.30	16,01,091.91
Subordinated Liabilities	5,173.45	2,746.57	2,088.25	8,396.96	27,591.58	74,996.73	40,621.54	79,411.31	2,41,026.38
Other Financial liabilities	18,576.64	2,614.18	2,000.61	6,553.14	22,341.62	32,078.45	5,991.94	1,596.82	91,753.39
Total	**1,15,712.01**	**69,216.00**	**76,647.15**	**2,45,579.36**	**9,23,463.80**	**7,08,116.00**	**1,29,312.65**	**1,19,290.11**	**23,87,337.09**

III) 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 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. The Group is 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 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, debt securities and subordinate laibilities are as follows:

Particulars	31st March 2023	31st March 2022
On Borrowings		
1% increase	(17,478.17)	(15,288.07)
1% decrease	17,478.17	15,288.07

Particulars	31st March 2023	31st March 2022
On Debt Securities		
1% increase	(4,445.00)	(4,650.86)
1% decrease	4,445.00	4,650.86

Particulars	31st March 2023	31st March 2022
On Subordinate Liabilities		
1% increase	(2,344.43)	(2,465.17)
1% decrease	2,344.43	2,465.17

Price risk

Equity price risk is the risk that the fair value of equities decreases as the result of changes in level of equity indices and individual stocks. The trading and non-trading equity price risk exposure arises from equity securities classified at FVTPL and FVOCI respectively".

A 10% increase/(decrease) in the equity price (traded and non-traded) would have the impact as follows:

Particulars	Increase/ (Decrease) in percentage	Sensitivity of profit or loss	Sensitivity of Other Comprehensive Income
As at March 31, 2023	10/(10)	65.01 / (65.01)	319.74 / (319.74)
As at March 31, 2022	10/(10)	407.64 / (407.64)	354.10 / (354.10)

Prepayment risk

Prepayment risk is the risk that the Group will incur a financial loss because its customers and counterparties repay or request repayment earlier or later than expected.

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.

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(Amount in INR Lakhs, except share data and unless otherwise stated)

44 Employee Stock Option Plan and Stock Appreciation Plan

The Company has launched MFL Employee Stock Option Schemes and MFL Employee Stock Appreciation Right Schemes during the year with an objective to reward employees for their association with the Company, their performance as well as to attract, retain and motivate employees to contribute to the growth and profitability of the Company.

44.1. Employee Stock Option Plan

(i) The particulars on the Stock Option Plan are as follows:

Scheme name	MFL Employee Stock Option Scheme 2018
Date of Shareholders Meeting, where approval to introduce and implement ESOP was granted	July 13, 2018
Date of Board Meeting where grant of options were approved	August 12, 2022
Date of grant	August 30, 2022
No. of employees to whom such options were granted	301
Number of options granted	8,64,566
Method of settlement	Equity
Vesting conditions	The actual vesting of options will depend on continuation to hold the services being provided to the Company at the time of exercise of options, performance based parameters and such other conditions as mentioned in the ESOP Scheme.
Vesting period	**For ESOP Scheme II & IV, 2018** Option will be vested at the: End of year 1 from grant date : 20% End of year 2 from grant date : 30% End of year 3 from grant date : 50% **For ESOP Scheme V, 2018** Option will be vested at the: End of year 1 from grant date : 33.33% End of year 2 from grant date : 33.33% End of year 3 from grant date : 33.33%
Exercise Price (Amount in INR as per MFL ESOP Scheme 2018)	100.00
Exercise period	The options can be exercised over a period of 10 years from the date of grant.
Pricing Formula	As per valuation from a registered valuer

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(ii) Movement during the year in Options:

Particulars	MFL ESOP 2018
No. of Options :	
Outstanding at the beginning of the year	-
Granted during the year	8,64,566
Vested during the year	-
Exercised during the year	-
Lapsed during the year	-
Cancelled during the year*	76,647
Outstanding at the end of year	7,87,919
Unvested at the end of year	7,87,919
Exercisable at the end of year	-

** Due to employee separations post grant of option during the year*

(iii) The fair value of the options was estimated on the date of grant using the Black-Scholes model with the following significant assumptions:

Particulars	MFL ESOP 2018
Weighted average option fair value (Amount in INR)	141
Exercise price (Amount in INR)	100.00
Expected volatility of share price (%) *	42.06% - 43.20%
Option Life (years)	5.51 to 6.51 years
Expected dividends yield (%)	-
Risk free interest rate (%)	7.07% to 7.12%

**The expected volatility was determined based on historical volatility data of comparable peers whose are shares are listed*

44.2. Employee Stock Appreciation Plan

(i) The particulars on the Stock Appreciation Plan are as follows:

Scheme name	MFL Employee SAR Scheme 2018
Date of Shareholders Meeting, where approval to introduce and implement SAR was granted	July 13, 2018
Date of Board Meeting where grant of SAR were approved	August 12, 2022
Date of grant	August 30, 2022
No. of employees to whom such SAR were granted	2,315
Number of SAR granted	12,42,793
Method of settlement	Cash
Vesting conditions	The actual vesting of SAR will depend on continuation to hold the services being provided to the Company at the time of exercise, performance based parameters and such other conditions as mentioned in the SAR Scheme.
Vesting period	**For SAR Scheme Scheme II & III, 2018** SAR will be vested at the: End of year 1 from grant date : 20% End of year 2 from grant date : 30% End of year 3 from grant date : 50%
Exercise Price (Amount in INR as per MFL SAR Scheme 2018)	225.00
Pricing Formula	As per valuation from a registered valuer

(ii) Movement during the year in SAR Options:

Particulars	MFL SAR 2018
No. of SAR:	
Outstanding at the beginning of the year	-
Granted during the year	12,42,793
Vested during the year	-
Exercised during the year	-
Lapsed during the year	-
Cancelled during the year*	79,201
Outstanding at the end of year	11,63,592
Unvested at the end of year	11,63,592
Exercisable at the end of year	-

** Due to employee separations post grant of option during the year*

(iii) The fair value of the options was estimated on the date of grant using the Black-Scholes model with the following significant assumptions:

Particulars	MFL SAR 2018
Weighted average option fair value (Amount in INR)	74.18
Exercise price (Amount in INR)	225.00
Expected volatility of share price (%)*	26.97% - 34.30%
Option Life (years)	0.46 to 2.46 years
Expected dividends yield (%)	-
Risk free interest rate (%)	6.79% to 7.10%

**The expected volatility was determined based on historical volatility data of comparable peers whose are shares are listed*

<This section has been intentionally left blank>

(Amount in INR Lakhs, except share data and unless otherwise stated)

45 Disclosures under the Listing Agreement for Debt Securities

(i) Debenture Trustees:

Trustees for Public Issue
SBICAP Trustee Company Limited
Mistry Bhavan, 4th Floor, 122
Dinshaw Vachha Road,
Churchgate, Mumbai - 400020
Tel : 022-4302 5555
Fax : 022-22040465
Email : corporate@sbicaptrustee.com

Trustees for Perpetual Debt Instrument
Vistra ITCL (India) Limited (formerly IL&FS Trust Company Limited)
The IL&FS Financial Centre,
Plot C- 22, G Block,
Bandra Kurla Complex,
Bandra(E), Mumbai 400051
Tel +91 22 2659 3535
Fax +91 22 26533297
Email: mumbai@vistra.com

Trustees for Listed Private Placement & Public Issue
Catalyst Trusteeship Limited
GDA House, Plot No 85, Bhusari Colony (Right),
Paud Road, Pune – 411 038, Maharashtra
Office: +91 20 2528 0081
Fax: +91 20 2528 0275
Email: dt@ctltrustee.com

Trustees for Public Issue & Private Placement
Vardhman Trusteeship Private Limited
The Capital, 412 A. 4th Floor,
A-Wing, Bandra Kurla Complex
Bandra (East), Mumbai 400 051, Maharashtra
Tel: +91 22 4264 8335
E-mail: corporate@vardhmantrustee.com

(ii)Security:
1. Privately Placed Secured Debentures are secured by subservient charge on all current assets of the Company, both present and future (as more specifically disclosed in Note 17).

2. Covered Bond issued by the Company in the nature of secured, redeemable, listed non-convertible debentures on a private placement basis is secured by way of first ranking pari passu charge by way of mortgage over, certain immovable property of the Company and is covered by receivables against a pool of gold loans originated by the Company amounting to a minimum cover of prescribed times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon, Default Interest accrued thereon. (as more specifically disclosed in Note 17).

3. Debentures issued by way of public issue are secured by exclusive mortgage and first charge over certain immovable property of the Company and subservient charge with existing secured creditors, on certain loan receivables (both present and future) of the Company, to be held on pari passu basis among the present and / or future NCD holder (as more specifically disclosed in Note 17).

4. Listed Debentures privately placed under Targeted Long-Term Repo Operations (TLTRO) is secured by first pari-passu charge on the present and future current assets of the Company along with other lenders and NCD investors with a prescribed asset coverage ratio of the value of the outstanding principal amounts of the Debentures. (as more specifically disclosed in Note 17).

(iii) Utilisation of Funds raised by way of Public Issue of Debt Securities:
The Group has utilised the Net Proceeds raised by way of allotment of Public Issue of Debt Securities and other Listed Debt Securities, in accordance with the Objects of such issue of debt securities. As at March 31, 2023, no portion of such allotted proceeds remain unutilized.

(iv)Others:

Particulars	At 31st March, 2023	At 31st March, 2022
Loans & advances in the nature of loans to subsidiaries	Nil	Nil
Loans & advances in the nature of loans to associates	Nil	Nil
Loans & advances in the nature of loans where there is-		
(i) no repayment schedule or repayment beyond seven years	Nil	Nil
(ii) no interest or interest below section 186 of the Companies Act	Nil	Nil
Loans & advances in the nature of loans to other firms/companies in which directors are interested	-	-

46 There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund established under Section 125 of the Companies Act, 2013.

47 Business combinations and acquisition of non-controlling interests

The Company has not subscribed to equity shares of any of its subsidiaries during the year (Previous Year: Nil). However, the Company has acquired 1,19,18,814 equity shares of Muthoot Microfin Limited from its shareholders during the year ended March 31, 2023. (Previous Year: Nil)

48 Additional disclosures as per Schedule III of Companies Act, 2013

(i) The Group does not have any immovable property whose title deeds are not held in the name of the respective Company.

(ii) The fair value of investment property measured for disclosure purposes in the financial statements is based on the valuation by an independent registered valuer.

(iii) The Group has not revalued its Property, Plant and Equipment or Right of Use Assets during the current or previous year.

(iv) The Group has not revalued Intangible Assets during the current or previous year.

(v) The Group has not given any loans or advances in the nature of loans that are a) repayable on demand or b) without specifying any terms or period of repayment; to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person during the current or previous year.

(vi) The Group does not have any Capital Work in Progress as at the end of the current or previous year.

(vii) The ageing schedule of Intangible Assets under development as at March 31, 2023 is as below (March 31, 2022: Nil):

Amount in CWIP for a period of	Projects in progress	Projects temporarily suspended
Less than 1 year	880.25	-
1 to 2 years	-	-
2 to 3 years	-	-
More than 3 years	-	-
Total	**880.25**	**-**

(viii) The Group does not hold any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder and no proceedings have been initiated or is pending against the group for the same.

(ix) The quarterly returns or statements of current assets filed by the Group with banks or financial institutions are in agreement with the books of accounts.

(x) The Group has not made any default in repayment of its financial obligations and is not declared wilful defaulter by any bank or financial Institution or other lender.

(xi) The Group does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(xii) There are no charges or satisfaction to be registered with ROC beyond the statutory period.

(xiii) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(xiv) The Group has not entered into any Scheme of Arrangements which requires the approval of the Competent Authority in terms of sections 230 to 237 of the Companies Act,2013 for the financial years ended March 31, 2023 and March 31, 2022.

(xv) The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(xvi) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(xvii) The Group does not have any transaction which is not recorded in the books of account but has been surrendered or disclosed as income during the year in tax assessments under the Income tax Act, 1961.

(xviii) The Group has not traded or invested in Crypto currency or Virtual Currency during the current or previous financial year.

49 The previous year figures have been reclassified and regrouped wherever required.

(Amount in INR Lakhs, except share data and unless otherwise stated)

50 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the entity in the Group	Net assets, i.e. total assets minus total liabilities as at 31st March 2023		Share in profit or loss for the year ended 31st March 2023		Share in other comprehensive income for the year ended 31st March 2023	
	As a % of consolidated net assets	Amount	As a % of consolidated profit/loss	Amount	As a % of consolidated other comprehensive income	Amount
Parent						
Muthoot FinCorp Limited	91.45%	3,89,303.45	71.13%	45,981.08	(7.58%)	(271.03)
Subsidiaries						
Indian						
1. Muthoot Microfin Limited	27.08%	1,15,283.83	17.23%	11,140.17	74.91%	2,679.32
2. Muthoot Housing Finance Company Limited	4.99%	21,239.30	3.23%	2,087.70	(0.79%)	(28.27)
3. Muthoot Pappachan Technologies Limited	0.00%	16.90	0.04%	23.24	(0.01%)	(0.31)
Non-controlling interests in all subsidiaries						
Indian subsidiaries	12.30%	52,360.77	8.92%	5,764.90	35.10%	1,255.39
Other Adjustment / Consol adjustment	(35.82%)	(1,52,485.89)	(0.55%)	(354.76)	(1.63%)	(58.25)
Total		**4,25,718.36**		**64,642.33**		**3,576.86**

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Independent Auditor's Report

TO

THE MEMBERS OF **MUTHOOT FINCORP LIMITED,**

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS financial statements of **Muthoot Fincorp Limited ("the Company"), Muthoot Centre, TC No 27/ 3022, Punnen Road, Thiruvananthapuram – 695 001** which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss (including Other Comprehensive Income) and the Statement of changes in equity and the Statement of cash flows for the year then ended, including the notes to the Ind AS Financial Statements, a summary of significant accounting policies and other explanatory information. ["Ind AS Financial Statements"]

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023, and its profit including other Comprehensive Income, Changes in equity and cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

For each matter below, our description of how our audit addressed the matter is provided in that context. We have determined the matters described below to be the Key Audit matters to be communicated in our report.

Key Audit Matters	How it's been addressed in Audit
a) Completeness in identification and disclosure of related party transactions in accordance with the applicable reporting framework.	We have accessed the laid down systems and processes of the Company in identifying related party transactions and its ultimate disclosure in financial statements in accordance with the applicable reporting framework. We have designed the audit procedures in accordance with the guidelines prescribed in Standard on Auditing (SA 550) to identify the risks of material misstatement arising from an entity's failure to appropriately account for or disclose material related party transactions. We have also reviewed the minutes of meetings of the board in the course of the audit to identify any transactions that may require disclosure in accordance with the applicable reporting framework.
b) Effectiveness of IT Systems and related controls.	Due to the automated controls and high degree of dependence in information systems, there is a risk that the financial accounting and reporting records may be misstated in case of any control lapses in the IT system related controls. We have designed our audit procedures in accordance with the guidelines laid down in the Standard on Auditing (SA 530) and tested the controls in the Information Technology Systems on a sample basis

	which has an impact on the financial accounting and reporting records. We have also tested on a sample basis the controls related to access management including user rights in passing entries, approval for authorizing entries, authorization for reversing entries, segregation of duties, system password protection, external software/hardware access rights etc. Based on our sample review, no material weakness was identified in the IT related systems and controls.
c) Accuracy, completeness and correctness of accounting and related controls maintained at the entity's branches.	At the branch level, entries related to daily operations are passed. We have addressed this as a key audit matter since any control lapses in the branch level accounting may result in the financial accounting and reporting records of the entity being misstated. We have physically visited the entity's branches on a sample basis to identify and assess the effectiveness of the controls operating at the branch level. We have also tested on a sample basis the independent financial records maintained at the branch level and how the same is considered and incorporated in the financial statements. We have also assessed and analyzed the internal audit reports and how the major observations are dealt with and its impact on the entity's financial accounting and reporting records. Based on our sample review, no major weaknesses were identified.

d) Computation of provision towards impairment of loan assets. As at 31st March 2023, the Company had reported a total impairment loss allowance of Rs. 36,454.29 lakhs (31st March 2022 - Rs 30,792.59 lakhs) A significant degree of judgment is required to determine the timing and amount of Impairment loss allowance to be recognized with respect to loan assets. Based on our risk assessment, the following are the significant judgments and estimates, that impact impairment loss allowance: - Completeness and timing of recognition of default, in accordance with the prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Loan Assets; - Measurement of provision is dependent on the probability of default (PD) and loss given default (LGD) of each category of loan asset. Identification of PD and LGD involves significant judgments and estimates related to forward looking information.	The audit procedures performed, among others, included: -Considering the board policies and processes for NPA identification and assessing compliance with the RBI norms. -Understanding, evaluating and testing the design and effectiveness of key controls around identification of impaired accounts. -Performing other procedures including substantive audit procedures covering the identification of NPAs such as: ● Reading account statements and related information of the borrowers on a sample basis. ● Performing inquiries with credit and risk departments to ascertain if there were indicators of stress or an occurrence of an event of default in a particular loan account or any product category which needed to be considered as NPA. ● Holding discussions with the management on sectors where there is perceived credit risk and the steps taken to mitigate the risks to identified sectors.

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

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

Our opinion on the Standalone Ind AS 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 Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

Responsibilities of Management and those charged with governance for the standalone Ind AS Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS financial statements, the board of directors are 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 the board of directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS 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 Ind AS 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 Ind AS 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 controls 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 management.

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

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

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

Report on Other Legal and Regulatory Requirements

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

2. As required by Section 143 (3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) The Balance Sheet, the Statement of Profit and Loss (including other Comprehensive Income), the Statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued thereunder.

e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 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 our separate Report in **"Annexure B"**.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Section 197(16) of the Act, the remuneration paid by the Company to its directors is in accordance with the provisions of Section 197.

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, 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.

ii. The company does not have any long-term contracts including derivative contracts for which there were any material foreseeable loss for which any provision is required to be made under the applicable law and Accounting Standards.

iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the company

iv. a) The Management has represented that, to the best of its knowledge and belief, as disclosed in Note 50 to the standalone financial statements, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the

Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in Note 50 to the standalone financial statements, no funds (which are material either individually or in aggregate) have been received by the Company from any person or entity, including foreign entity ('Funding Parties") with the understanding, whether recorded in writing or otherwise that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

For Rangamani & Co.,
Chartered Accountants,
ICAI FRN:003052 S

R. Krishnan
(Partner)
M.No.025927

UDIN: 23025927BGZFXA3667

Place: Thiruvananthapuram
Date: 22-05-2023

For Krishnan Retna & Associates
Chartered Accountants,
ICAI FRN: 001536S

Retna Kumaran Nair A
(Partner)
M.No. 024791

UDIN: 23024791BGRXOR1043

Place: Thiruvananthapuram
Date: 22-05-2023

ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT

Annexure referred to in Paragraph 1 under the heading ‘Report on other Legal and Regulatory Requirements’ in the Independent Auditors’ Report of even date to the members of Muthoot Fincorp Limited on the Standalone Ind AS Financial Statements as of and for the year ended 31st March 2023.

1) Tangible and Intangible Assets:

(a) In our opinion the company has maintained proper records showing particulars including quantitative details and situation of majority of Property, Plant and Equipment. We are informed that the company is in the process of updating the details in the Fixed Asset module of the software used by the company. To ensure complete recording and updating of the assets in the fixed assets module, the company is in the process of migrating to new software.

(b) As informed to us, fixed assets have been physically verified by the management on a periodic basis during the course of internal branch audit conducted during the year. Since there is a regular programme of verification, we are of the opinion that it is reasonable having regard to the size of the company and the nature of its assets. We have been informed that there have been no material discrepancies during such verification.

(c) In our opinion and according to the information and explanations given to us, the title deeds of immovable property included in Property, Plant and Equipment and in Investment Property are held in the name of the Company.

(d) In our opinion and according to the information and explanation given to us, the company has not revalued its Property, Plant and Equipment (including Right of use of asset) or Intangible assets or both during the year.

(e) As informed to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

2) Inventory and Working Capital:

(a) The Company does not have any inventory. Hence, the provisions of clause 3(ii) of the Order are not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has obtained Working Capital Limits in excess of Rs 5 Crores in aggregate from banks and financial Institutions and the Quarterly return/statement filed by the Company with such banks or financial Institutions are in agreement with the books of accounts.

3) The company is a Non – Deposit taking Non Banking Financial Company (NBFC) registered with the Reserve Bank of India. During the year, the company has made investments and in the ordinary course of business granted loans and advances in the nature of secured and unsecured loans to companies, firms, LLPs and other parties. With respect to such Investment and Loans and Advances :

(a) As the principal business of the company is to give loans, the paragraph 3(iii)(a) of the Order is not applicable to the Company.

(b) In our opinion, the terms and conditions of the grant of such loans are, prima facie, not prejudicial to the Interests of the Company.

(c) In respect of loans granted by the company, the schedule of repayment of principal and payment of interest has been stipulated. Being a non banking finance company engaged in the business of granting loans, there are instances of irregularities in repayment of principal amount and receipt of interest as per stipulated terms. Having regard to the nature of business undertaken by the company, specific details of irregularities are not reported although the particulars of overdue for more than ninety days as per books of accounts as at the Balance Sheet date has been reported in para (d) below

(d) In respect of loans granted by the company, the total amount overdue for more than ninety days as per Books of Accounts as at the Balance Sheet date is Rs. 37,161.13 lakhs. In our opinion, and as per information and explanations given to us, reasonable steps have been taken by the company for recovery of the said overdue amounts.

(e) The provisions of paragraph 3(iii)(e) of the Order are not applicable to the company, as its principal business is to give loans.

(f) The company has not granted any loans or advances in the nature of loans that were either repayable on demand or without specifying any terms or period of repayment.

4) In our opinion, in respect of loans, investments, guarantees, and security, the company has complied with the provision of Sec 185 and 186 of the Act.

5) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of sections 73 to 76 of the Act and rules framed thereunder to the extent notified.

6) The Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the company and hence the provisions of this section are not applicable to the Company for the year under review.

7) In respect of statutory dues:

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been generally regularly deposited during the year by the company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the company examined by us, the particulars of statutory dues as at 31st March 2023 which have not been deposited on account of dispute are as follows;

Statute	Nature of dues	Period to which the amount relates (Financial Year)	Amount (in lakhs)	Forum where dispute is pending
Service Tax	Tax on Income from Foreign Inward Remittances	01.02.2006 to 30.09.2007	17.17	CESTAT, Bangalore.
Service Tax	Tax on receipts related to assignment of receivables	01.04.2007 to 31.03.2012	1,451.58	CESTAT, Bangalore.
Service Tax	Tax on Notional consideration against support services rendered to group concerns	01.04.2008 to 31.03.2012	2,132.11	CESTAT, Bangalore
Service Tax	Tax on Income from Foriegn Inward	01.04.2014 to 30.06.2017	347.27	Commissioner of GST and Central Excise. (Appeals),

	Remittances			Cochin.
Service Tax	Service Tax demand on taxability on assignment of receivables	01.04.2014 to 30.06.2017	1,158.01	CESTAT, Bangalore.
Income Tax	Demand payable u/s 143(3) - net of refund adjustments	AY 10-11	1,463.50	CIT(A) - III, Cochin
Income Tax	Demand payable u/s 143(3) - net of refund adjustments	AY 13-14	741.70	CIT(A) - III, Cochin
Income Tax	Non deduction of Tax at Source	AY 15-16	570.37	DCIT, TDS (Trivandrum)
Income Tax	Demand payable u/s 143 (3)	AY 18-19	577.43	CIT(A) - III, Cochin
Income Tax	Demand Payable u/s 143(1)	AY 19-20	66.86	CIT(A) - III, Cochin
Income Tax	Penalty u/s 271H	AY 15-16	1.00	CIT(A) - III, Cochin
Value Added Tax	Purchase Tax	AY 13-14	1,327.12	Assessing Authority SGST, Thiruvanantha puram

8) In our opinion and according to information and explanations given to us, there are no instances of transactions not recorded in the books of accounts subsequently surrendered as income in Tax assessments.

9) Repayment of Borrowings

(a) According to the records of the company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank or as at the balance sheet date.

With regard to debentures, there are unpaid debentures that are matured to the tune of Rs 4,828.69 lakhs as on 31.03.2023. As explained to us, these are not settled since the investors have not approached the Company with the original investment documents for redemption. The total amount of redemption done for the period starting from 01.04.2023 to 21.05.2023 is stated to be 2,769.18 lakhs including interest.

(b) As per the information and explanation given to us, the Company has not been declared as a willful defaulter by any bank or financial institution or other lender.

(c) According to the information and explanations given by us, term loans taken by the Company from financial institutions are applied for the purpose for which they were obtained.

(d) According to the information and explanations given by us, funds raised on short term basis have not been utilized for long term purposes.

(e) According to the information and explanations given by us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures,

(f) According to the information and explanations given by us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

10) (a) According to the information and explanations given to us, and on examination of records of the Company, the Company has during the year raised funds through public issue of Non Convertible Debentures of Rs. 68,200.57 lakhs that were utilized for the purposes for which they were raised.

(b) According to the information and explanations given to us, and on examination of records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly or optionally convertible debentures during the year and hence, the reporting requirement under clause(x)(b) of para 3 of the Order are not applicable

11) Fraud and Whistleblower Complaints

(a) According to the information and explanations given to us, and on examination of records of the Company, instances of whistleblower complaints were raised on various occasions during the year and appropriate actions were taken against those complaints.

(b) No report u/s 143(12) of the Act has been filed in Form ADT-4 regarding any frauds, as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with Central Government, during the year and up to the date of this report.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report) while determining the nature, timing and extent of our audit procedures.

12) The Company is not a Nidhi Company and accordingly, paragraph 3 (xii) of the order is not applicable to the Company.

13) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14) (a) In our opinion, the Company has an internal audit system commensurate with the nature and size of the Company's business. Also, the comments of the Internal auditors in their report are considered by us in framing an opinion on the financial statements.

(b) We have considered the Internal Audit reports for the year under Audit, issued to the company during the year in determining the nature, timing and extent of our Audit procedures.

15) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them.

16) (a) The Company being a Non Banking Financial Company is required to be registered and has obtained the Certificate of Registration as provided under sec 45IA of The Reserve Bank of India Act 1934.

(b) The Company has a valid Certificate of Registration (CoR) from the Reserve Bank of India (RBI) for conducting Non-Banking Financial activities and no business has been conducted by the Company without a valid CoR.

(c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence the reporting requirement under clause (xvi) (c) of para 3 of the Order is not applicable.

(d) As informed to us, the group does not form part of a CIC. Accordingly, reporting on paragraph 3(xvi)(d) of the Order is not applicable.

17) The company has not incurred any cash losses in the financial year under audit and in the immediately preceding financial year.

18) There has been no resignation of the statutory auditors during the financial year covered by our audit and hence the reporting requirement under clause (xviii) of para 3 of the Order is not applicable.

19) On the basis of the examination of financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statement and knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date; We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

20) (a) According to the information and explanation given to us and the records of the company examined by us, there are no unspent amounts towards corporate social responsibility other than ongoing projects requiring a transfer to a fund specified in schedule VII to the Act in compliance with the second proviso to sub section (5) of Section 135 of the said Act.

(b) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has transferred unspent amount under sub section 5 of section 135 of the Companies Act, pursuant to ongoing projects to a special account in compliance with the provision of section 135(6) of the Companies Act.

21) According to the information and explanations given to us and based on our examination of the records of the company, there has been no adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements

For Rangamani & Co.,
Chartered Accountants,
ICAI FRN:003052S

R. Krishnan
(Partner)
M.No.025927

UDIN: 23025927BGZFXA3667

Place: Thiruvananthapuram
Date: 22-05-2023

For Krishnan Retna & Associates
Chartered Accountants,
ICAI FRN: 001536S

Retna Kumaran Nair A
(Partner)
M.No. 024791

UDIN: 23024791BGRXOR1043

Place: Thiruvananthapuram
Date: 22-05-2023

ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT

Referred to in paragraph 2(f) under ‘Report on other legal and regulatory requirements’ of the Independent Auditors’ Report of even date to the members of Muthoot Fincorp Limited on the Ind AS Financial Statements as of and for the year ended 31 March 2023

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (“THE ACT”)

Opinion

We have audited the internal financial controls over financial reporting of Muthoot Fincorp Limited ("the Company"), as of March 31, 2023 in conjunction with our audit of the Ind AS Financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") Standards on Auditing, both issued by the ICAI and deemed to be prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 control 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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 authorizations of management and directors of the company; and (iii) provide reasonable

assurance regarding prevention or timely detection of unauthorized 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.

For Rangamani & Co.,
Chartered Accountants,
ICAI FRN:003052S

R. Krishnan
(Partner)
M.No.025927

UDIN: 23025927BGZFXA3667

Place: Thiruvananthapuram
Date: 22-05-2023

For Krishnan Retna & Associates
Chartered Accountants,
ICAI FRN: 001536S

Retna Kumaran Nair A
(Partner)
M.No. 024791

UDIN: 23024791BGRXOR1043

Place: Thiruvananthapuram
Date: 22-05-2023

MUTHOOT FINCORP LIMITED

Muthoot Centre, TC No 27/ 3022, Punnen Road, Thiruvananthapuram, Kerala - 695001

STANDALONE BALANCE SHEET AS AT MARCH 31, 2023

(INR in lakhs)

Particulars	Note	As at 31st March 2023	As at 31st March 2022
ASSETS			
1 Financial assets			
Cash and cash equivalents	5	2,52,361.58	2,35,980.59
Bank Balance other than above	6	17,001.25	11,089.14
Receivables	7		
Trade Receivables		3,133.15	2,630.50
Loans	8	17,25,053.20	17,01,520.88
Investments	9	1,86,671.51	1,63,959.06
Other Financial assets	10	14,485.70	13,049.87
2 Non-financial Assets			
Current tax assets (net)		-	2,997.82
Investment Property	11	26,119.76	30,236.55
Property, Plant and Equipment	12	39,301.60	38,915.42
Intangible assets under development	13	676.00	-
Other Intangible assets	13	844.48	937.59
Right-of-use assets	14	79,935.99	57,939.67
Other non financial assets	15	24,315.90	31,120.00
Total assets		**23,69,900.12**	**22,90,377.08**
LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial Liabilities			
Payables	16		
(I) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(II) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises		813.40	79.03
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		3,201.57	4,703.28
Debt Securities	17	3,04,642.97	3,79,379.03
Borrowings (other than debt securities)	18	12,49,815.81	11,53,567.02
Lease Liability	14	88,965.01	64,656.45
Subordinated Liabilities	19	2,27,858.69	2,38,526.64
Other Financial liabilities	20	74,610.16	76,253.36
2 Non-financial Liabilities			
Current tax liabilities (net)		2,305.00	-
Provisions	21	3,439.83	2,959.81
Deferred tax liabilities (net)	34	22,247.61	23,668.26
Other non-financial liabilities	22	2,696.64	1,634.89
3 Equity			
Equity share capital	23	19,370.56	19,370.56
Other equity	24	3,69,932.89	3,25,578.77
Total liabilities and equity		**23,69,900.12**	**22,90,377.08**

See accompanying notes to the Financial Statements 1 to 4

In terms of our joint report of even date attached

For Rangamani & Co.
Chartered Accountants
Firm Regn. No. 003052S

CA. Krishnan R
Partner
Membership No.025927
Place: Thiruvananthapuram

For Krishnan Retna & Associates
Chartered Accountants
Firm Regn. No. 001536S

CA. Retna Kumaran Nair A
Partner
Membership No.024791
Place: Thiruvananthapuram

For and on behalf of the Board of Directors,

Thomas John Muthoot
Managing Director
DIN: 00011618
Place: Thiruvananthapuram

Thomas George Muthoot
Director
DIN: 00011552
Place: Kochi

Thomas Muthoot
Executive Director and Chief Financial Officer
DIN: 00082099
Place: Kochi

Sachu Sivas
Company Secretary
Place: Thiruvananthapuram

Date: May 22, 2023

MUTHOOT FINCORP LIMITED

Muthoot Centre, TC No 27/ 3022, Punnen Road, Thiruvananthapuram, Kerala - 695001

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(INR in lakhs)

		Particulars	Notes	For the year ended 31st March 2023	For the year ended 31st March 2022
(I)		**Revenue from operations**			
	(i)	Interest income	25	3,32,167.53	3,18,760.74
	(ii)	Dividend income		21.29	17.44
	(iii)	Rental income		606.67	533.22
	(iv)	Fees and commission income		11,632.99	9,952.29
	(v)	Net gain on derecognition of financial instruments under amortised cost category		-	37.53
	(vi)	Others	26	2,554.06	3,332.38
		Total Revenue from operations		**3,46,982.53**	**3,32,633.60**
(II)		Other Income		2,143.83	158.05
(III)		**Total Income (I + II)**		**3,49,126.36**	**3,32,791.64**
		Expenses			
	(i)	Finance costs	27	1,57,132.55	1,63,547.79
	(ii)	Impairment on financial instruments	28	6,717.02	7,152.74
	(iii)	Net Loss on fair value changes	29	289.93	231.27
	(iv)	Employee benefits expenses	30	59,944.74	53,690.84
	(v)	Depreciation, amortization and impairment	31	18,498.40	21,070.48
	(vi)	Other expenses	32	44,300.56	40,284.88
(IV)		**Total Expenses**		**2,86,883.20**	**2,85,978.01**
(V)		**Profit before tax (III- IV)**		**62,243.16**	**46,813.64**
(VI)		Tax Expense:			
		(1) Current tax		17,609.54	13,719.62
		(2) Deferred tax		(1,347.46)	(1,591.11)
(VII)		**Profit for the year (V-VI)**		**45,981.08**	**34,685.13**
(VIII)		**Other Comprehensive Income**			
	A	(i) Items that will not be reclassified to profit or loss			
		Net gain / (loss) on equity instruments measured through other comprehensive income		(417.64)	2,167.51
		Remeasurement of the defined benefit liabilities		73.42	179.27
		(ii) Income tax relating to items that will not be reclassified to profit or loss		73.19	(539.05)
		Subtotal (A)		(271.03)	1,807.73
	B	(i) Items that will be reclassified to profit or loss		-	-
		(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
		Subtotal (B)		-	-
		Other Comprehensive Income (A+B)		**(271.03)**	**1,807.73**
(IX)		**Total Comprehensive Income for the year (VII+VIII)**		**45,710.06**	**36,492.86**
(X)		**Earnings per equity share**	33		
		Basic (INR)		23.74	17.91
		Diluted (INR)		22.85	17.36

See accompanying notes to the financial statements 1 to 4

In terms of our joint report of even date attached

For Rangamani & Co.
Chartered Accountants
Firm Regn. No. 003052S

CA. Krishnan R
Partner
Membership No.025927
Place: Thiruvananthapuram

For Krishnan Retna & Associates
Chartered Accountants
Firm Regn. No. 001536S

CA. Retna Kumaran Nair A
Partner
Membership No.024791
Place: Thiruvananthapuram

For and on behalf of the Board of Directors,

Thomas John Muthoot
Managing Director
DIN: 00011618
Place: Thiruvananthapuram

Thomas George Muthoot
Director
DIN: 00011552
Place: Kochi

Thomas Muthoot
Executive Director &
Chief Financial Officer
DIN: 00082099
Place: Kochi

Sachu Sivas
Company Secretary
Place: Thiruvananthapuram

Date: May 22, 2023

MUTHOOT FINCORP LIMITED

Muthoot Centre, TC No 27/ 3022, Punnen Road, Thiruvananthapuram, Kerala - 695001

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

(INR in lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
A Cash flow from Operating activities		
Net Profit before taxation	**62,243.16**	**46,813.64**
Adjustments to reconcile profit before tax to net cash flows:		
Add: Depreciation, amortisation and impairment	18,498.40	21,070.48
Add: Impairment on financial instruments	5,661.71	7,152.74
Add: Write off	3,400.80	-
Add: Finance cost	1,57,132.55	1,63,547.79
Add: Provision for Gratuity	34.23	174.23
Add: Provision for Compensated absence	90.66	(38.25)
Add: Net (gain) / loss on fair value changes	289.93	231.27
Add: Share based payments & stock appreciation rights	586.09	-
Less: Profit on Sale of Assets	(1,503.92)	-
Less: Income on investments	(729.25)	(1,578.71)
Less: Dividend income	(21.29)	(17.44)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	*2,45,683.05*	*2,37,355.75*
Adjustments for:		
(Increase)/Decrease in Trade receivables	(502.66)	(810.56)
(Increase)/Decrease in Bank balances other than cash and cash equivalents	(5,912.11)	5,236.97
(Increase)/Decrease in Loans	(30,249.34)	1,36,624.52
(Increase)/Decrease in Other financial asset	(1,710.91)	5,429.50
(Increase)/Decrease in Other non-financial asset	4,458.62	895.82
Increase/(Decrease) in Other financial liabilities	3,610.31	585.17
Increase/(Decrease) in Other non-financial liabilities	1,061.75	369.26
Increase/(Decrease) in Trade payables	(767.34)	3,011.46
Increase/(Decrease) in Provisions	73.42	179.27
Cash generated / (utilised) from / (for) operations	**2,15,744.80**	**3,88,877.17**
Finance cost paid	(1,55,648.80)	(1,50,126.58)
Income tax paid	(12,306.71)	(16,041.41)
Net cash flows from operating activities	**47,789.28**	**2,22,709.17**
B Cash flow from Investing activities		
Purchase of property, plant and equipment, intangible assets & inventory	(6,618.04)	(3,802.61)
Proceeds from sale of fixed assets	237.29	-
Proceeds from sale of investment property	4,920.00	-
Proceeds against (purchase) / sale of investment funds	494.18	420.54
Proceeds against (purchase) / sale of equity investments	(170.20)	(526.77)
Proceeds against redemption of debt securities	-	300.00
Purchase of shares of muthoot microfin limited	(23,225.00)	-
Investments in speckle internet solutions private limited	-	(200.00)
Dividend income	21.29	17.44
Income on investments	729.25	1,578.71
Net cash flows from investing activities	**(23,611.22)**	**(2,212.69)**
C Cash flow from Financing activities		
Increase / (decrease) in debt securities	(75,398.88)	(57,821.90)
Increase / (decrease) in borrowings (other than debt securities)	97,275.85	56,034.28
Increase / (decrease) in subordinated liabilities	(9,595.30)	(9,201.75)
Payment of lease liabilities	(18,722.79)	(17,821.39)
Proceeds from issue of Cumulative Compulsorily Convertible Preference Shares	-	15,000.00
Dividend paid	(1,355.94)	(11,622.33)
Net cash flows from financing activities	**(7,797.06)**	**(25,433.09)**
D Net increase/(decrease) in cash and cash equivalents (A+B+C)	**16,381.00**	**1,95,063.39**
Cash and cash equivalents at April 01, 2022 / April 01, 2021	2,35,980.59	40,917.19
Cash and cash equivalents at March 31, 2023 / March 31, 2022	**2,52,361.58**	**2,35,980.59**

See accompanying notes to the financial statements

In terms of our joint report of even date attached

For Rangamani & Co.
Chartered Accountants
Firm Regn. No. 003052S

CA. Krishnan R
Partner
Membership No.025927
Place: Thiruvananthapuram

For Krishnan Retna & Associates
Chartered Accountants
Firm Regn. No. 001536S

CA. Retna Kumaran Nair A
Partner
Membership No.024791
Place: Thiruvananthapuram

For and on behalf of the Board of Directors,

Thomas John Muthoot
Managing Director
DIN: 00011618
Place: Thiruvananthapuram

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Director
DIN: 00011552
Place: Kochi

Thomas Muthoot
Executive Director &
Chief Financial Officer
DIN: 00082099
Place: Kochi

Sachu Sivas
Company Secretary
Place: Thiruvananthapuram

Date: May 22, 2023

MUTHOOT FINCORP LIMITED

Muthoot Centre, TC No 27/ 3022, Punnen Road, Thiruvananthapuram, Kerala - 695001

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

A. Equity Share Capital

Equity shares of INR 10/- each issued, subscribed and fully paid *(INR in lakhs)*

Particulars	No. of shares	Amount
Balance as on 1st April 2021	**19,37,05,560.00**	**19,370.56**
Changes in equity share capital due to prior period errors	-	-
Restated Balance as on 1st April 2021	-	-
Changes in equity share capital during the year	-	-
Balance as on 31st March 2022	**19,37,05,560.00**	**19,370.56**
Changes in equity share capital due to prior period errors	-	-
Restated Balance as on 1st April 2022	-	-
Changes in equity share capital during the year	-	-
Balance as on 31st March 2023	**19,37,05,560.00**	**19,370.56**

B. Other Equity *(INR in lakhs)*

Particulars	Reserves and Surplus			Other Comprehensive Income		Total Other Equity
	Securities Premium Reserve	Statutory Reserve	Retained Earnings	Equity Instruments through Other Comprehensive income	Actuarial valuation of gratuity impact through Other Comprehensive Income	
Balance as on 31st March 2021	**38,129.85**	**48,966.68**	**1,14,177.75**	**99,276.65**	**157.32**	**3,00,708.24**
Profit for the year	-	-	34,685.13	-	-	34,685.13
Other Comprehensive Income (net of taxes)	-	-	-	1,673.58	134.15	1,807.73
Transfer to Reserves u/s. 45-IC of RBI Act, 1934	-	6,937.03	(6,937.03)	-	-	-
Dividend Paid	-	-	(11,622.33)	-	-	(11,622.33)
Balance as on 31st March 2022	**38,129.85**	**55,903.70**	**1,30,303.52**	**1,00,950.23**	**291.47**	**3,25,578.77**
Profit for the year	-	-	45,981.08	-	-	45,981.08
Other Comprehensive Income (net of taxes)	-	-	-	(325.97)	54.94	(271.03)
Transfer to Reserves u/s. 45-IC of RBI Act, 1934	-	9,196.22	(9,196.22)	-	-	-
Dividend Paid	-	-	(1,355.94)	-	-	(1,355.94)
Balance as on 31st March 2023	**38,129.85**	**65,099.92**	**1,65,732.44**	**1,00,624.26**	**346.41**	**3,69,932.89**

See accompanying notes to the Financial Statements

In terms of our joint report of even date attached

For Rangamani & Co.
Chartered Accountants
Firm Regn. No. 003052S

CA. Krishnan R
Partner
Membership No.025927
Place: Thiruvananthapuram

For Krishnan Retna & Associates
Chartered Accountants
Firm Regn. No. 001536S

CA. Retna Kumaran Nair A
Partner
Membership No.024791
Place: Thiruvananthapuram

For and on behalf of the Board of Directors,

Thomas John Muthoot
Managing Director
DIN: 00011618
Place: Thiruvananthapuram

Thomas George Muthoot
Director
DIN: 00011552
Place: Kochi

Thomas Muthoot
Executive Director and
Chief Financial Officer
DIN: 00082099
Place: Kochi

Sachu Sivas
Company Secretary
Place: Thiruvananthapuram

Date: May 22, 2023

Muthoot FinCorp Limited
Notes forming part of Financial Statements

Significant Accounting Policies

1. Corporate Information
Muthoot FinCorp Limited, ('MFL' or 'the Company'), is a public limited company, incorporated on June 10, 1997 under the provisions of Companies Act, 1956. The company is a Non-Deposit Accepting Non-Banking Financial Company (NBFC) registered with Reserve Bank of India (RBI) and is classified as a Non Deposit Taking Systematically Important Loan Company (NDSI).

Muthoot FinCorp Limited, the flagship company of the Muthoot Pappachan Group, provides a diverse mix of retail offerings catering to the various needs of its customers and is primarily engaged in business of Gold Loans through its branch network across India. The company also offers SME Loans, Loans against Property, Forex Services, Money Transfer Services and Wealth Management Services to its customers in its strive to be the most trusted financial service provider. The company is engaged in real estate business to a very limited extent.

MFL is the parent company of Muthoot Microfin Limited, Muthoot Housing Finance Company Limited and Muthoot Pappachan Technologies Limited.

The Company's registered office is at Muthoot Centre, TC No.14/2074-7, Punnen Road, Thiruvananthapuram, Kerala, India.

The Registration details of the Company are as follows:
Reserve Bank of India Registration no.: N - 16.00170
Corporate Identity Number (CIN): U65929KL1997PLC011518

2. Basis of preparation
The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act, the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions') and notification for Implementation of Indian Accounting Standard vide circular RBI/2019-20/170 DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 ('RBI Notification for Implementation of Ind AS') issued by RBI to the extent applicable. The Company uses accrual basis of accounting except in case of significant uncertainties.

The financial statements are prepared on a going concern basis, as the Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption.

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.

Basis of measurement
The financial statements have been prepared on a historical cost basis, except for following assets and liabilities which have been measured at fair value:

i) Investments in equity instruments at fair value through other comprehensive income (FVOCI) or at fair value through statement of profit or loss (FVTPL)
ii) Investments which are held for trading

iii) Defined benefit plans.

iv) Cumulative, Compulsorily Convertible Preference Shares issued at Fair Value through profit or loss (FVTPL)

Functional and presentation currency

The financial statements are presented in Indian Rupees (INR) which is also functional currency of the Company and the currency of the primary economic environment in which the Company operates. All values are rounded to the nearest lakhs, except when otherwise indicated.

3. Significant accounting policies

3.1 Recognition of 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. Interest income is not recognized on credit impaired assets.

3.2 Recognition of revenue from sale of goods and services

Revenue (other than for financial instruments) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

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

Revenue from contract with customer for rendering services is recognised at a point in time when performance obligation is satisfied.

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

3.2.2 Rental Income
Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in rental income in the statement of profit and loss, unless the increase is in line with expected general inflation, in which case lease income is recognised based on contractual terms.

3.2.3 Fees and commission income
Fees and commission income such as service charges, commission from fee based business lines, service income etc. are recognised on point in time basis.

3.2.4 Net gain / loss on fair value changes
The Company designates certain financial assets for subsequent measurement at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI). The Company recognises gains / losses on fair value change of financial assets measured at FVTPL on net basis.

3.2.5 Net gain on derecognition of financial instruments
Gains arising out of direct assignment transactions comprise the difference between the interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee, also known as the excess interest spread (EIS).

3.3 Financial instruments
1.1.1. Initial recognition

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Loans are recognised when funds are transferred to the customers' account. Investments are recognised on settlement date. The Company recognises debt securities and borrowings when funds reach the Company, post allotment if applicable.

1.1.2. Initial and subsequent measurement of financial instruments

The Company classifies its financial assets into the following measurement categories:
1. Debt instruments at amortised cost
2. Debt instruments at fair value through other comprehensive income (FVTOCI)
3. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
4. Equity instruments in subsidiary companies at cost
5. Equity instruments measured at fair value through other comprehensive income FVTOCI

The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets which are explained below:

Business model assessment
The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed
- How managers of the business are compensated (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 sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The SPPI test

As a second step of its classification process, the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

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

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

1.1.3. Financial assets measured at amortised cost

A 'debt instrument' is measured at amortised cost if both the following conditions are met:

a. The financial asset is held within a business model with the objective to hold financial assets to collect contractual cash flows and

b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement at fair value plus directly attributable costs, these financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the profit or loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in statement of profit and loss.

1.1.4. Financial assets measured at fair value through other comprehensive income

A 'debt instrument' is measured at fair value through other comprehensive income if both the following conditions are met:

a. The financial asset is held within a business model with the objective to hold financial assets to collect contractual cash flows and selling the assets and

b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

Debt instruments included within the FVOCI category are measured at each reporting date at fair value with such changes being recognised in other comprehensive income (OCI). The interest income on these assets is recognised in profit or loss. 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 income statement.

1.1.5. Financial Instrument measured at fair value through profit or loss

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVOCI criteria may be designated as at FVTPL upon initial recognition, if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Company's investment is classified as FVTPL, if it is acquired or incurred principally for the purpose of 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.

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

1.1.6. Equity instruments

The Company subsequently measures investment in equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity investments as equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 *Financial Instruments*: *Presentation* and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments classified at FVOCI are never recycled to profit or loss. Dividends are recognised in profit or loss as dividend income when the right of the payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI.

3.3.1 Financial Liabilities

Initial Measurement

All financial liabilities are initially recognised at fair value. Transaction cost that are directly attributable to the acquisition or the issue of financial liability, which are not at fair value through profit or loss, are adjusted to fair value at initial recognition.

Subsequent Measurement

Financial liabilities except cumulative compulsorily convertible preference shares, are subsequently carried at amortized cost using the effective interest method.

3.4 Derecognition of financial assets and liabilities

3.4.1 Financial Asset

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either:

a) The Company has transferred its contractual rights to receive cash flows from the financial asset

or

b) It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- The Company cannot sell or pledge the original asset other than as security to the eventual recipients
- The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset or,
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

- The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

3.4.2 Financial Liability

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

3.5 Offsetting

Financial assets and financial liabilities are generally reported gross in the balance sheet. Financial assets and liabilities are offset, and the net amount is presented in the balance sheet when the Company has a legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously in all the following circumstances:

a. The normal course of business
b. The event of default
c. The event of insolvency or bankruptcy of the Company and/or its counter parties.

3.6 Impairment of financial assets

3.6.1 Overview of the Expected Credit Loss (ECL) principles

The Company has created provisions on all financial assets wherever required, except for financial assets classified as FVTPL, based on the expected credit loss method.

The ECL provision is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on financial assets that are possible within the 12 months after the reporting date.

The Company performs an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Company categorises its loans into three stages as described below:

<u>For non-impaired financial instruments</u>

- Stage 1 is comprised of all non-impaired financial instruments which have not experienced a significant increase in credit risk (SICR) since initial recognition. A 12-month ECL provision is made for stage 1 financial instruments. In assessing whether credit risk has increased significantly, the Company compares the risk of a default occurring on the financial instrument as at the reporting date, with the risk of a default occurring on the financial instrument as at the date of initial recognition.

- Stage 2 is comprised of all non-impaired financial instruments which have experienced a SICR since initial recognition. The Company recognises lifetime ECL for stage 2 financial instruments. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a SICR since initial recognition, then entities recognize 12 months of ECL.

<u>For impaired financial instruments:</u>

Financial instruments are classified as stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a loan or a portfolio of loans. The Company recognises lifetime ECL for impaired financial instruments.

3.6.2 The calculation of ECLs

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon.

The Company uses historical information where available to determine PD. Considering the different products, schemes, ticket size, loan to value and geographies, the Company has bifurcated its loan portfolio into various pools. PD is calculated using Incremental NPA approach considering fresh slippage using historical information.

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

Loss Given Default (LGD) – The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive.

Forward looking information

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

Write-offs

Loans and other assets are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when it is determined that the customer 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.

Collateral

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as gold, securities, stock, current asset etc. However, the fair value of collateral affects the calculation of ECLs. The fair value of the same is based on data provided by third party or management judgements.

Impairment of Trade receivables

The Company follows ‘simplified approach’ for recognition of impairment loss allowance on trade receivables. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables.

3.7 Determination of fair value

The Company measures financial instruments, such as, investments at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability, or
ii. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, if market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which enough data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments − Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments − Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

Level 3 financial instruments − Those that include one or more unobservable input that is significant to the measurement as whole.

3.8 Foreign Currency translation

Transactions in foreign currencies, if any, are initially recorded in the functional currency at the spot rate of ex-change ruling at the date of the transaction. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the spot rate of exchange at the reporting date. All differences arising on non–trading activities are taken to other income/expense 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.

3.9 Finance cost

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

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method. These include fees including upfront costs incurred in relation to borrowings, commissions payable to advisers and other expenses such as external legal costs, provided these are incremental costs that are directly related to the issue of a financial liability. Interest accrued on lease liability recognized and measured in accordance with Ind AS 116 "Leases" also forms part of Finance cost.

3.10 Other income and expenses

All Other income and expense are recognized in the period they occur.

3.11 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, short-term deposits with an original maturity of three months or less and forex balances, which are subject to an insignificant risk of changes in value.

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

3.12 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.

3.12.1 Depreciation

Tangible assets are stated at historical cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is charged based on a review by the management during the year and at the rates derived based on the useful lives of the assets as specified in Schedule II of the Companies Act, 2013 on Straight Line Method.

The estimated useful lives are as follows:

Particulars	Useful life
Buildings	60 years
Computer	3 years
Furniture and Fixtures	5 to 30 years
Plant and Equipment	5 to 20 years
Vehicles	5 to 8 years
Windmill	22 years
Office equipment	15 years

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 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.

3.13 Intangible assets

The Company's intangible assets consist of computer software.

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.

Intangible assets are amortised using the Written down value 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 Written down value basis over a period of 3 years keeping residual value 5%.

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.

3.14 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, borrowing cost and other directly attributable cost in bringing the asset to its working condition for its intended use. Subsequent expenditure is capitalized to the assets carrying amount only when it is probable that the future economic benefit associated with the expenditure will flow to the company.

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.

The fair value of investment property is disclosed in the notes accompanying these financial statements. Fair value has been determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

3.15 Impairment of non-financial assets

The Company's assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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 the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.16 Post-employment benefits

3.16.1 Defined contribution schemes

Contributions to the Employees Provident Fund Scheme maintained by the Central Government, Employee State Insurance Corporation (ESIC) etc. are accounted for on an accrual basis. Retirement benefit in the form of provident fund is a defined contribution scheme.

The company has no obligation, other than the contribution payable under the schemes. The company recognizes contribution payable to the provident fund scheme / ESIC as expenditure, when an employee renders the related service. If the contribution payable to the scheme / ESIC for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized 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 recognized as an asset.

3.16.2 Defined Benefit schemes

Gratuity

The Company provides for gratuity covering eligible employees under which a lumpsum payment is paid to vested employees at retirement, death, incapacitation or termination of employment, of an amount reckoned on the respective employee's salary and his tenor of employment with the Company. The Company accounts for its liability for future gratuity benefits based on actuarial valuation determined at each Balance Sheet date by an Independent Actuary using Projected Unit Credit Method. The Company makes contributions to a Gratuity Fund administered by the Life Insurance Corporation of India.

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

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

Re-measurement, comprising of actuarial gains and losses (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through 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.

3.16.3 Employee Stock Option & Employee Stock Appreciation Right

The Company has formulated its Employees Stock Option Schemes and Stock Appreciation Right Schemes (SAR). The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in Provisions and the fair value of SAR granted is recognized as an employee benefit expense having a corresponding increase in financial liability. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest.

3.17 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.

3.18 Taxes

Income tax expense represents the sum of current tax and deferred tax.

3.18.1 Current Tax

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible in accordance with applicable tax laws.

The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the end of reporting date in India 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.

3.18.2 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 relating to items recognised outside profit and loss is recognised either in other comprehensive income or in equity. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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.

3.18.3 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 and / or payable to, the taxation authority is included as part of receivables or payables respectively in the balance sheet.

3.19 Contingent Liabilities and assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

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

3.20 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 deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For 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.

3.21 Dividends on ordinary shares

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

3.22 Leases

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.

Company as a lessee

The Company's lease asset class consist of building and equipment. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company has, at the date of transition, recognized a right-of use asset and a corresponding lease liability for all active lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term lease) and low value assets. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight line basis over the term of the lease.

The right-of-use assets are recognized at cost, which comprises the present value of the lease liability as at the date of transition. Right-of-use assets are depreciated on a straight-line basis over the shorter of the balance lease term and useful life of the underlying asset. The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit on the lease or, if not readily determinable, using the incremental borrowing rates. Interest accrued on lease liability and lease payments made, are subsequently adjusted to the initial recognition of lease liability.

Company as a lessor

Leases where the Company does not transfer substantially all the risks and benefits incidental to ownership of the leased items are operating leases. Rental Income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in rental income in the statement of profit and loss.

3.23 Cash flow statement

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

4 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:

4.1 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 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.

4.2 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 at each reporting date.

4.3 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.

4.4 Impairment of financial assets

The measurement of impairment losses across all categories of financial assets requires judgement 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 several 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, regulatory advisories, market conditions and forecasts and revise when necessary.

4.5 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.

4.6 Other estimates:

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

(Rupees in lakhs, except for share data and unless otherwise stated)

5 Cash and cash equivalents

Particulars	As at 31st March 2023	As at 31st March 2022
Cash on hand	9,275.14	8,775.44
Balances with Banks		
- in current accounts	1,13,093.97	1,53,882.08
- in deposit accounts having original maturity less than three months*	1,29,829.96	73,263.12
Others		
-Foreign currency balances	162.52	59.94
Total	**2,52,361.58**	**2,35,980.59**

* Includes earmarked balances of INR 4,800 as at 31st March 2023 (31st March 2022 - INR 3,543.54) towards margin money, debenture redemption reserve & staff security deposits.

6 Bank Balance other than above

Particulars	As at 31st March 2023	As at 31st March 2022
Deposit with original maturity for more than three months but less than twelve months*	9,994.37	4,319.72
Balance with Banks in escrow accounts	7,006.88	6,769.42
Total	**17,001.25**	**11,089.14**

* Includes earmarked balances of INR 9,737.63 as at 31st March 2023 (31st March 2022 - INR 4,043.15) towards margin money, debenture redemption reserve, staff security deposits & security to pension fund regulatory and development authority.

7 Receivables

Particulars	As at 31st March 2023	As at 31st March 2022
TRADE RECEIVABLES		
Receivables considered good - Unsecured		
Receivables from Money Transfer business	837.00	847.35
Wind Mill income receivable	2,241.65	1,748.85
Other Trade Receivables	54.51	34.30
Sub-Total	**3,133.15**	**2,630.50**
Less: Allowances for Impairment Loss	-	-
Total Net receivable	**3,133.15**	**2,630.50**

(i) Of the total receivables as above, the following pertains to receivables due from directors or other officers of the Company either severally or jointly with any other person or from firms or private companies respectively in which any director is a partner, a director or a member:

Particulars	As at 31st March 2023	As at 31st March 2022
From Directors, relatives of Directors or Officers of the Company	1.99	2.24
From firms or trusts in which any director is a partner or member	0.17	-
From Companies in which any director is a director or a member	12.34	4.04
Total	**14.51**	**6.28**

(ii)Trade receivables are non-interest bearing. These consist primarily of receivable from government and other parties, and does not involve any credit risk.

(iii) Ageing Schedule of Trade Receivables (At at 31st March, 2023)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables- considered good	1,031.26	639.68	857.39	505.18	99.64	3,133.15
(ii) Undisputed Trade Receivables- which have signficant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-
(iv)Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have signficant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-

(iv)Ageing Schedule of Trade Receivables (At at 31st March,2022)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables- considered good	1,101.84	637.20	891.46	0.01	-	2,630.50
(ii) Undisputed Trade Receivables- which have signficant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-
(iv)Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have signficant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-

<This section has been intentionally left blank>

(Rupees in lakhs, except for share data and unless otherwise stated)

8 Loans (At amortised Cost)

Particulars	As at 31st March 2023	As at 31st March 2022
A.		
Retail Loans	17,31,869.35	16,98,032.48
High Value Loans	29,572.39	34,191.91
Staff Loan	65.75	89.08
Total	**17,61,507.49**	**17,32,313.47**
Less: Impairment loss allowance	(36,454.29)	(30,792.59)
Total (A) - Net	**17,25,053.20**	**17,01,520.88**
B.		
I) Secured by tangible assets		
Retail Loans	17,29,301.22	16,95,435.33
High Value Loans	29,276.96	33,840.86
II) Secured by intangible assets		-
Total (I) - Gross	**17,58,578.18**	**17,29,276.20**
Less : Impairment loss allowance	(34,771.08)	(29,356.63)
Total (I) - Net	**17,23,807.10**	**16,99,919.57**
II) Covered by Bank / Government Guarantees	-	-
III) Unsecured		
Retail Loans	2,568.13	2,597.15
High Value Loans	295.43	351.05
Staff Loan	65.75	89.08
Total (III) - Gross	**2,929.31**	**3,037.28**
Less : Impairment loss allowance	(1,683.22)	(1,435.96)
Total (III) - Net	**1,246.10**	**1,601.31**
Total (I+II+III) - Net	**17,25,053.20**	**17,01,520.88**
C.		
I) Loans in India		
i) Public Sector	-	-
ii) Others	17,61,507.49	17,32,313.47
II) Loans outside India	-	-
Total (C) - Gross	**17,61,507.49**	**17,32,313.47**
Less: Impairment Loss Allowance	(36,454.29)	(30,792.59)
Total (C)- Net	**17,25,053.20**	**17,01,520.88**

The Company has continued its co-lending arrangements with banks for Gold loans. A total disbursement of INR 3,40,362.20 (31st March, 2022 - INR 4,91,842.74) was undertaken during the year under the Co-lending mechanism. As at 31st March, 2023, the total managed assets under the Co-lending mechanism amounted to INR 1,15,378.42 (INR 1,36,210.74 as at 31st March, 2022).

Credit Quality of Assets

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

Details of the Company's internal grading system are discussed in Note 43.

Particulars	March 31, 2023				March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
High grade	15,47,599.04	-	-	15,47,599.04	14,64,411.42	-	-	14,64,411.42
Standard grade	68,730.70	-	-	68,730.70	1,00,780.13	-	-	1,00,780.13
Sub-standard grade	-	72,625.47	-	72,625.47	-	69,190.90	-	69,190.90
Past due but not impaired	-	35,391.15	-	35,391.15	-	47,971.74	-	47,971.74
Non- performing								
Individually impaired	-	-	37,161.13	37,161.13	-	-	49,959.29	49,959.29
Total	**16,16,329.75**	**1,08,016.61**	**37,161.13**	**17,61,507.49**	**15,65,191.55**	**1,17,162.63**	**49,959.29**	**17,32,313.47**

An analysis of changes in the gross carrying amount in relation to receivables under financing activities is, as follows:

Particulars	2022-23				2021-22			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	15,65,191.55	1,17,162.63	49,959.29	17,32,313.47	16,37,207.99	1,95,771.56	35,958.45	18,68,937.99
New assets originated or purchased	43,34,393.64	-	-	43,34,393.64	40,89,066.60	-	-	40,89,066.60
Assets derecognised or repaid (excluding write offs)	(36,67,625.20)	(3,76,561.05)	(2,59,958.04)	(43,04,144.30)	(30,54,553.21)	(6,72,673.57)	(4,98,464.33)	(42,25,691.12)
Assets written off during the period	-	-	(1,055.32)	(1,055.32)	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	(4,34,456.12)	4,34,456.12	-	-	(6,99,565.86)	6,99,565.86	-	-
Transfers to Stage 3	(1,81,174.12)	(67,041.08)	2,48,215.20	-	(4,06,963.97)	(1,05,501.21)	5,12,465.17	-
Gross carrying amount closing balance	**16,16,329.75**	**1,08,016.61**	**37,161.13**	**17,61,507.49**	**15,65,191.55**	**1,17,162.63**	**49,959.29**	**17,32,313.47**

Reconciliation of ECL balance is given below:

Particulars	2022-23				2021-22			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	7,187.86	835.83	22,768.90	30,792.59	5,921.14	697.92	17,020.78	23,639.85
New assets originated or purchased	24,153.35	-	-	24,153.35	18,778.31	-	-	18,778.31
Assets derecognised or repaid (excluding write offs)	(18,903.65)	(2,813.53)	(1,74,715.80)	(1,96,432.98)	(12,430.05)	(4,100.09)	(2,27,807.41)	(2,44,337.55)
Assets written off during the period	-	-	(1,055.32)	(1,055.32)	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	(2,421.00)	2,421.00	-	-	(3,212.63)	3,212.63	-	-
Transfers to Stage 3	(1,009.59)	(315.05)	1,324.64	-	(1,868.91)	(752.63)	2,621.54	-
Impact on year end ECLs of exposures transferred between stages during the year	-	379.36	1,78,617.30	1,78,996.65	-	1,777.99	2,30,933.98	2,32,711.97
ECL allowance - closing balance	**9,006.98**	**507.60**	**26,939.71**	**36,454.29**	**7,187.86**	**835.83**	**22,768.90**	**30,792.59**

(Rupees in lakhs, except for share data and unless otherwise stated)

9 Investments

Particulars	As at 31st March 2023	As at 31st March 2022
(i) At Amortized Cost / At Cost		
Debt securities (At Amortized Cost)		
Unlisted Debentures		
Investment Richa Lifespace Private Limited	612.50	612.50
Investment Diyug Construction Private Limited	282.85	282.85
Investment Richa Realtors Private Limited	1,300.00	1,300.00
Equity instruments (At Cost)		
Subsidiary-Unquoted*		
Inv-Muthoot Housing Finance Company Limited	14,791.02	14,791.02
Inv-Muthoot Pappachan Technologies Limited	3.00	3.00
	16,989.37	**16,989.37**
(ii) At Fair Value through Profit or Loss		
Others - Quoted		
Inv-JM Financial India Fund II	236.50	156.37
Alternate Investment Funds		
Inv-Strugence Debt Fund	997.61	997.48
Inv-BPEA India Credit - Trust II	168.86	514.24
	1,402.98	**1,668.09**
(iii) At Fair Value through Other Comprehensive Income		
Equity instruments		
Subsidiary-Unquoted		
Inv-Muthoot Microfin Limited	1,66,298.57	1,42,977.72
Others-Quoted		
Inv-Equity Shares (DP account with Motilal Oswal)	1,690.38	1,646.32
Others-Unquoted		
Inv-Muthoot Pappachan Chits Private Limited	14.94	15.14
Inv-Avenues India Private Limited	479.10	477.67
Inv-Fair Asset Technologies (P) Limited	720.64	719.85
Inv-The Thinking Machine Media Private Limited	9.00	9.00
Inv-Speckle Internet Solutions Private Limited	42.86	198.10
Others - Quoted		
Inv-PMS - Motilal Oswal	231.12	465.24
	1,69,486.61	**1,46,509.05**
Total Gross (A)	**1,87,878.95**	**1,65,166.50**
i) Investments outside India	-	-
ii) Investments in India	1,87,878.95	1,65,166.50
Total Gross (B)	**1,87,878.95**	**1,65,166.50**
Less : Allowance for impairment loss (C)	(1,207.44)	(1,207.44)
Total ((A) - (C))	**1,86,671.51**	**1,63,959.06**

Debt Instruments measured at Amortised Cost

Credit Quality of Assets

Particulars	31/03/2023				31/03/2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
High grade	-	-	-	-	-	-	-	-
Standard grade	-	-	-	-	-	-	-	-
Sub-standard grade	-	-	-	-	-	-	-	-
Past due but not impaired	-	-	-	-	-	-	-	-
Non- performing								
Individually impaired	-	-	2,195.35	2,195.35	-	-	2,195.35	2,195.35
Total	**-**	**-**	**2,195.35**	**2,195.35**	**-**	**-**	**2,195.35**	**2,195.35**

An analysis of changes in the gross carrying amount in relation to Debt Instruments measured at Amortised Cost is, as follows

Particulars	31/03/2023				31/03/2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	-	-	2,195.35	2,195.35	300.00	-	2,195.35	2,495.35
New assets originated or purchased	-	-	-	-	-	-	-	-
Assets derecognised or repaid (excluding write offs)	-	-	-	-	(300.00)	-	-	(300.00)
Assets written off during the period	-	-	-	-	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	**-**	**-**	**2,195.35**	**2,195.35**	**-**	**-**	**2,195.35**	**2,195.35**

Reconciliation of ECL balance is given below:

Particulars	31/03/2023				31/03/2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	-	-	1,207.44	1,207.44	-	-	1,207.44	1,207.44
New assets originated or purchased	-	-	-	-	-	-	-	-
Assets derecognised or repaid (excluding write offs)	-	-	-	-	-	-	-	-
Assets written off during the period	-	-	-	-	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
ECL allowance - closing balance	**-**	**-**	**1,207.44**	**1,207.44**	**-**	**-**	**1,207.44**	**1,207.44**

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10 Other financial assets

Particulars	As at 31st March 2023	As at 31st March 2022
Security deposits	6,140.45	6,652.67
Interest accrued on fixed deposits with banks	626.97	345.94
Advance for Financial Assets	-	2,209.63
Deposits	171.62	169.00
Deposit with original maturity for more than twelve months*	107.54	1,084.26
Receivables from Auction Proceeds	4,803.44	-
Other financial assets	2,635.69	2,588.38
Total	**14,485.70**	**13,049.87**

* Includes earmarked balances of INR 32.54 as at 31st March 2023 (31st March 2022 - INR 1,091.19) towards margin money & security to pension fund regulatory and development authority.

(i) Other Financial Assets above consists of the following receivables due from directors or other officers of the Company either severally or jointly with any other person or from firms or private companies respectively in which any director is a partner, a director or a member:

Particulars	As at 31st March 2023	As at 31st March 2022
From Directors, relatives of Directors or Officers of the Company	-	-
From firms in which any director is a partner	-	2,209.63
From Companies in which any director is a director or a member	3,060.78	1,029.90
Total	**3,060.78**	**3,239.53**

11 Investment Property

Particulars	As at 31st March 2023	As at 31st March 2022
Inventory – Projects		
Opening Balance	30,236.55	30,236.55
Transferred from / (to) property, plant and equipment	-	-
Acquisitions	-	-
Disposal	(4,116.78)	-
Closing balance	**26,119.76**	**30,236.55**
Depreciation and Impairment		
Opening balance	-	-
Charge for the year	-	-
Closing Balance	-	-
Net Block	**26,119.76**	**30,236.55**

11.1. Investment Property includes lien marked properties of INR 9,460.56 as at 31st March, 2023 (March 31, 2022 - INR 9,460.56)
11.2. Fair Value of Investment Property as at March 31, 2023 - INR 27,823.11 (March 31, 2022 - INR 31,593.16)
11.3. Investment Property does not contain any immovable property which is not held in the name of the company

(Rupees in lakhs, except for share data and unless otherwise stated)

12 Property, Plant and Equipment

Particulars	Buildings	Computer	Furniture & Fixtures	Land	Plant & Equipment	Vehicles	Windmill	Office Equipment	Equipment - Finance Lease	Total
As at 31st March 2021	**5,850.61**	**4,632.22**	**22,810.88**	**12,555.55**	**14,010.71**	**292.95**	**7,449.78**	**236.35**	**-**	**67,839.05**
Addition during the year	-	592.96	1,424.05	-	1,087.38	13.06	-	108.98	-	**3,226.44**
Disposals	-	-	-	-	-	-	-	-	-	**-**
As at 31st March 2022	**5,850.61**	**5,225.19**	**24,234.93**	**12,555.55**	**15,098.09**	**306.01**	**7,449.78**	**345.33**	**-**	**71,065.49**
Addition during the year	448.51	821.37	1,244.81	-	2,254.79	1.42	-	116.06	-	**4,886.96**
Disposals	(39.60)	-	-	(22.77)	-	-	-	-	-	**(62.37)**
As at 31st March 2023	**6,259.52**	**6,046.56**	**25,479.73**	**12,532.78**	**17,352.88**	**307.43**	**7,449.78**	**461.39**	**-**	**75,890.08**
Accumulated Depreciation:										
As at 1st April 2021	**395.92**	**3,468.42**	**13,699.53**	**-**	**6,693.87**	**201.28**	**2,048.38**	**17.92**	**0.00**	**26,525.32**
Charged for the year	66.19	1,058.88	450.79	-	3,398.75	16.44	511.74	121.96	-	**5,624.75**
Disposals	-	-	-	-	-	-	-	-	-	**-**
As at 31st March 2022	**462.12**	**4,527.30**	**14,150.32**	**-**	**10,092.62**	**217.71**	**2,560.12**	**139.88**	**0.00**	**32,150.07**
Charged for the year	102.06	637.45	1,608.42	-	1,473.31	14.60	511.74	90.83	-	**4,438.41**
Disposals	-	-	-	-	-	-	-	-	-	**-**
As at 31st March 2023	**564.17**	**5,164.75**	**15,758.74**	**-**	**11,565.93**	**232.32**	**3,071.87**	**230.71**	**0.00**	**36,588.48**
Net book value:										
As at 31st March 2022	**5,388.50**	**697.89**	**10,084.61**	**12,555.55**	**5,005.47**	**88.29**	**4,889.66**	**205.45**	**-**	**38,915.42**
As at 31st March 2023	**5,695.35**	**881.81**	**9,720.99**	**12,532.78**	**5,786.95**	**75.11**	**4,377.92**	**230.68**	**-**	**39,301.60**

12.1. Property Plant & Equipment details does not contain any immovable property which is not held in the name of the company

13 Intangible Assets

Particulars	Intangible assets under development	Other Intangible Assets - Computer Software
As at 31st March 2021	**-**	**2,183.08**
Addition during the year	-	576.17
Disposals	-	-
As at 31st March 2022	**-**	**2,759.25**
Addition during the year	676.00	568.60
Disposals	-	-
As at 31st March 2023	**676.00**	**3,327.85**
Accumulated Depreciation:		
As at 31st March 2021	**-**	**1,349.32**
Charged for the year	-	472.35
Disposals	-	-
As at 31st March 2022	**-**	**1,821.67**
Charged for the year	-	661.71
Disposals	-	-
As at 31st March 2023	**-**	**2,483.37**
Net book value:		
As at 31st March 2022	**-**	**937.59**
As at 31st March 2023	**676.00**	**844.48**

(Rupees in lakhs, except for share data and unless otherwise stated)

14 Right-of-use assets & Lease Liability

14.1. The Company operates its branch network predominantly through premises taken on lease at strategic locations identified by the management. Majority of the lease arrangements are long term in nature and are non-cancellable from the point of view of the lessor. Other than such leasehold property, the Company has also undertaken lease arrangements for safety device equipments.

Particulars	As at 31st March 2023	As at 31st March 2022
Depreciation charge for Right-of-use assets		
Leasehold Property	13,395.64	14,939.21
Equipments	2.65	34.17
Interest expense on lease liabilities	8,924.09	6,031.00
Income from subleasing right-of-use assets	161.53	158.79
Total cash outflow for leases	18,722.79	17,821.39
Carrying amount of right-of-use assets		
Leasehold Property	79,934.43	57,935.47
Equipments	1.56	4.21
Lease Liability		
Leasehold Property	88,963.26	64,651.55
Equipments	1.75	4.90

14.2. The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	As at 31st March 2023	As at 31st March 2022
Short-term leases	24.66	23.38

14.3. Carrying value of right-of-use assets at the end of the reporting period:

Particulars	As at 31st March 2023	As at 31st March 2022
Balance as at April 1, 2022 / April 1, 2021	57,939.67	43,527.94
Additions	35,394.60	29,385.12
Depreciation charge for the year	(13,398.28)	(14,973.39)
Balance as at March 31, 2023 / March 31, 2022	79,935.99	57,939.67

14.4. Movement in lease liabilities:

Particulars	As at 31st March 2023	As at 31st March 2022
Balance as at April 1, 2022 / April 1, 2021	64,656.45	47,841.90
Additions	34,107.26	28,604.94
Interest on lease liabilities	8,924.09	6,031.00
Payment of lease liabilities	(18,722.79)	(17,821.39)
Balance as at March 31, 2023 / March 31, 2022	88,965.01	64,656.45

14.5. Maturity analysis of lease liabilities

Particulars	As at 31st March 2023	As at 31st March 2022
Less than one year	17,790.58	13,816.74
One to five years	67,479.19	46,664.33
More than five years	51,383.10	37,462.86
Total undiscounted lease liabilities	1,36,652.88	97,943.93

15 Other Non-Financial assets

Particulars	As at 31st March 2023	As at 31st March 2022
Prepaid expenses	906.24	597.51
Advance to Creditors	483.91	451.04
Advance for Property	19,000.17	23,790.54
Pre-Deposit Fee	753.95	619.45
GST / Service Tax Receivables	544.39	529.58
Gratuity Fund	2,551.55	2,598.21
Other Receivable	75.69	2,533.67
Total	**24,315.90**	**31,120.00**

(a) Advance for Property as on March 31, 2023 consists of - INR 0.00 (P.Y. INR 1,722.40), INR 1,487.26 (P.Y. INR 1,487.26) and INR 17,512.91 (P.Y.INR 20,580.88) advanced by the Company to its Directors and their relatives, M/s. MPG Hotels & Infrastructure Ventures Private Limited (a Company in which the Directors are interested) and M/s. Muthoot Estate Investments (a firm in which the Directors of the Company are partners) respectively for purchase of immovable property by the Company from them.

16 Payables

Particulars	As at 31st March 2023	As at 31st March 2022
Trade payables:		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprise	-	-
Other payables:		
Total outstanding dues of micro enterprises and small enterprises	813.40	79.03
Total outstanding dues of creditors other than micro enterprises and small enterprise*	3,201.57	4,703.28
Total	**4,014.97**	**4,782.30**

(i)Disclosure under Micro, Small, and Medium Enterprises Development Act, 2006 :

Based on the intimation received by the Company, some of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, the disclosures relating to amounts unpaid as at the year ended together with interest paid /payable are furnished below:

Particulars	As at 31st March 2023	As at 31st March 2022
Principal amount remaining unpaid during the year	813.40	79.03
Interest due thereon	-	-
Interest remaining accrued and unpaid at the end of the year	-	-
Total interest accrued and remained unpaid at year end	-	-

(ii) Ageing Schedule of Payables (As on 31/03/2023)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	790.85	9.05	4.26	2.24	806.41
(ii) Others	2,974.24	153.40	47.26	3.03	3,177.93
(iii) Disputed Dues- MSME	-	-	6.99	-	6.99
(iv) Disputed Dues- Others	3.35	-	-	20.29	23.64
Total	**3,768.44**	**162.45**	**58.51**	**25.57**	**4,014.97**

Ageing Schedule of Payables (As on 31/03/2022)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	65.57	5.47	-	-	71.04
(ii) Others	4,517.38	148.04	8.23	0.93	4,674.57
(iii) Disputed Dues- MSME	-	6.99	-	1.00	7.99
(iv) Disputed Dues- Others	11.05	6.48	9.43	1.75	28.71
Total	**4,593.99**	**166.98**	**17.66**	**3.67**	**4,782.30**

17 Debt Securities (At Amortised Cost)

Particulars	As at 31st March 2023	As at 31st March 2022
Secured Non-Convertible Debentures	88.00	88.00
Secured Non-Convertible Debentures - Listed*	2,54,717.90	2,36,211.88
Secured Non-Convertible Debentures - Covered Bonds / MLD - Listed*	49,837.07	1,43,079.15
Total	**3,04,642.97**	**3,79,379.03**
Debt securities in India	3,04,642.97	3,79,379.03
Debt securities outside India	-	-
Total	**3,04,642.97**	**3,79,379.03**

**Includes issue expenses amortised as per EIR.*

Maturity Profile of Non-Convertible Debentures

Particulars	Amount
FY 2023-24	1,37,813.84
FY 2024-25	58,034.56
FY 2025-26	51,407.38
FY 2026-27	36,016.62
FY 2027-28	8,320.74
FY 2029-30	9,728.70
FY 2030-31	4,008.43
Adjustments on account of effective rate of interest	(687.30)
TOTAL	**3,04,642.97**

Particulars	As at 31st March 2023	As at 31st March 2022	Security
Debentures issued by way of Private Placement			
Allotment on 01/10/2018	88.00	88.00	Subservient charge on all current assets of the Company, both present and future
Listed Debentures issued by way of Public Issue			
Allotment on 02/02/2022	40,000.00	40,000.00	Subservient charge with existing secured creditors on all loan receivables (both present and future) of the company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders
Allotment on 29/10/2021	24,956.79	24,956.79	Subservient charge with existing secured creditors on all loan receivables (both present and future) of the company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders
Allotment on 07/05/2021	17,586.43	17,586.43	Subservient charge with existing secured creditors on all loan receivables (both present and future) of the company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders
Allotment on 15/03/2021	16,965.09	16,965.09	Subservient charge with existing secured creditors on all loan receivables (both present and future) of the company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders.
Allotment on 29/01/2021	26,698.38	26,698.38	Subservient charge with existing secured creditors on all loan receivables (both present and future) of the company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders.
Allotment on 29/10/2020	25,128.91	39,713.43	Subservient charge with existing secured creditors, on certain loan receivables (both present and future) of the Company, to be held on pari passu basis among the present and / or future NCD holders.
Allotment on 17/07/2020	8,331.60	16,000.00	Subservient charge with existing secured creditors, on certain loan receivables (both present and future) of the Company and mortgage and charge over the immovable property admeasuring 54 cents situated at Survey No 764/6A, Arulvaimozhy Village, Thovala Thaluk, Kanyakumari District, Tamil Nadu, to be held on pari passu basis among the present and / or future NCD holders
Allotment on 07/02/2020	17,374.50	17,374.50	Subservient charge with existing secured creditors, on certain loan receivables (both present and future) of the Company.
Allotment on 25/10/2019	-	27,596.53	Exclusive mortgage and first charge over the immovable property admeasuring 5.19 cents situated at Survey No: 537, Samugarengapuram Village, Radhapuram Taluk, Tirunelveli District, Tamilnadu and a subservient charge on certain loan receivables (both present and future) of the company.
Allotment on 06/09/2022	39,884.19	-	Subservient charge with existing secured creditors on all loan receivables (both present and future) of the company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders.
Allotment on 02/02/2023	28,316.38	-	Subservient charge with existing secured creditors on all loan receivables (both present and future) of the company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders.

Particulars	As at 31st March 2023	As at 31st March 2022	Security
Listed Debentures privately placed under Targeted Long-Term Repo Operations (TLTRO)			
Allotment on 28/05/2020	10,000.00	10,000.00	First Pari-passu charge on the present and future standard loan receivables along with other lenders and NCD investors with a minimum asset coverage ratio of 1.10 times the value of the outstanding principal amounts of the Debentures.
Non Convertible Debentures issued in the form of Covered Bond / Market Linked Debentures			
Allotment on 15/12/2021	20,000.00	20,000.00	First Pari-passu charge on the present and future current assets of the Company along with other lenders and NCD investors with a minimum asset coverage ratio of 1.10 times of the value of the outstanding principal amounts of the Debentures
Allotment on 17-08-2021	-	3,750.00	Hypothecation over Cover Pool and C&P Account to be created upfront by the Trust in favour of Security Trustee. Cover of 1.15 times the outstanding NCDs to be maintained at all times Hypothecation over: (i) Contribution (ii) right, title and interest of the Borrower in the property belonging to the Trust, as a residual beneficiary; and (iii) in the event that the transfer of the assets from the Borrower to the Trust is reversed for any reason whatsoever, then all right, title and interest of the Borrower in the said assets (iv) Cash Collateral of 7% of Facility Amount (static) in the form of Fixed Deposits to be created upfront by the Company in favour of Debenture Trustee, to be created by the Borrower upfront and CHG 9 to be filed within 30 days from date of first disbursement by Borrower in favour of Security Trustee
Allotment on 29-06-2021	30,000.00	30,000.00	First ranking exclusive and continuing charge to be created pursuant to the Deed of Hypothecation on book debts which shall be maintained at 1.20 times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon, Default Interest accrued thereon
Allotment on 17-03-2021	-	10,000.00	First ranking exclusive and continuing charge to be created pursuant to the Deed of Hypothecation on book debts which shall be maintained at 1.20 times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon, Default Interest accrued thereon.
Allotment on 16-03-2021	-	22,500.00	First ranking exclusive and continuing charge to be created pursuant to the Deed of Hypothecation on book debts which shall be maintained at 1.20 times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon, Default Interest accrued thereon.
Allotment on 04-02-2021	-	10,000.00	First ranking exclusive and continuing charge to be created pursuant to the Deed of Hypothecation on book debts which shall be maintained at 1.15 times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon.
Allotment on 16-12-2020	-	7,500.00	First ranking exclusive and continuing charge to be created pursuant to the Deed of Hypothecation on book debts which shall be maintained at 1.15 times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon

Particulars	As at 31st March 2023	As at 31st March 2022	Security
Allotment on 10-12-2020	-	7,500.00	First ranking exclusive and continuing charge to be created pursuant to the Deed of Hypothecation on book debts which shall be maintained at 1.15 times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon.
Allotment on 24-11-2020	-	12,500.00	First ranking exclusive and continuing charge to be created pursuant to the Deed of Hypothecation on book debts which shall be maintained at 1.15 times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon.
Allotment on 22-05-2020	-	20,000.00	First ranking pari passu charge by way of mortgage over, all the right, title and interest of the Company in all that piece and parcel of the vacant land measuring an extent of Cents 28 (Hec.0.11.34) in Survey No. 1490,Tirunelveli District, Panagudi, Pazhavoor Village, Ayan Punja and continuing charge on book debts which shall be maintained at 1.15 times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon, Default Interest accrued thereon.
TOTAL	**3,05,330.27**	**3,80,729.15**	
Adjustments on account of effective rate of interest	(687.30)	(1,350.12)	
TOTAL	**3,04,642.97**	**3,79,379.03**	

18 Borrowings (other than debt securities) - At Amortised Cost

Particulars	As at 31st March 2023	As at 31st March 2022
(a) Term loans		
(i) from banks	5,02,962.85	4,23,033.35
(ii) from other parties		
- financial institutions	437.50	2,182.70
(b) Loans repayable on demand		
(i) from banks (OD & CC)	7,46,415.46	7,28,350.96
Total	**12,49,815.81**	**11,53,567.02**
Borrowings in India	12,49,815.81	11,53,567.02
Borrowings outside India	-	-

a) Security details :

Secured Term loans from banks

The Loans are secured by way of hypothecation of Loan receivables, other current assets & specified fixed assets of the Company equivalent to security cover stipulated by respective banks. The loans aggregating to INR 4,74,755 (31st March 2022 : INR 4,14,367) are guaranteed by promoter directors (Mr. Thomas John Muthoot, Mr.Thomas George Muthoot, Mr. Thomas Muthoot) of the Company. Out of the same, loans aggregating to INR 1,86,800 (31st March 2022 : INR 1,49,525) are guaranteed by Ms. Preethi John Muthoot, Director of the Company also.

Secured Term loans from other parties

The Loans are secured by way of hypothecation of Loan Receivables of the Company equivalent to security cover stipulated by respective lender. The loans aggregating to INR 437.50 (31st March 2022 : INR 2,187.50) are guaranteed by the promoter director, Mr. Thomas John Muthoot.

Secured Loans repayable on demand

The Cash credit limit from banks are secured by way of hypothecation of Loan Receivables of the Company equivalent to security cover stipulated by respective banks. The Cash credit aggregating to INR 7,47,174 (31st March 2022 : INR 7,29,238) are guaranteed by promoter directors (Mr. Thomas John Muthoot, Mr.Thomas George Muthoot and Mr. Thomas Muthoot) of the Company. Out of the same, loans aggregating to INR 4,16,457 (31st March 2022 : INR 4,00,630) are guaranteed by Ms. Preethi John Muthoot, Director of the Company also.

b) Terms of repayment
Secured loans from Banks

Name of Party	As at 31st March 2023	As at 31st March 2022	Terms of Repayment (based on last outstanding)
Term Loan from Banks			
State Bank of India Car Loan	0.50	6.51	Repayable in 16 monthly instalments on diminishing value method
State Bank of India Car Loan	-	4.20	Repayable in 24 monthly instalments on diminishing value method
Axis Bank	15,714.29	17,500.00	Repayable in 4 quarterly instalments of INR 3,928 each from May 2023 (INR 10,000 availed additionally during the year ended March, 2023)
Axis Bank	17,000.00	-	Repayable in 7 quarterly instalments of INR 2,429 each from July 2023
Bandhan Bank	7,498.24	-	Repayable in 11 quarterly instalments of INR 682 each from April 2023
Bandhan Bank	17,500.00	-	Repayable in 11 quarterly instalments of INR 1,590 each from Sept 2023
Bank of Baroda	-	2,000.00	Repayable in 2 quarterly instalments of INR 1,000 each from June 2022
Bank of Baroda	6,000.00	18,000.00	Repayable in 2 quarterly instalments of INR 3,000 each from April 2023
Bank of India	-	12,000.00	Repayable in 4 quarterly instalments of INR 3,000 each from June 2022
Bank of Maharashtra	4,536.31	10,580.28	Repayable in 3 quarterly instalments of INR 1,500 each from June 2023
Bank of Maharashtra	25,186.85	-	Repayable in 10 quarterly instalments of INR 2,500 each from Sept 2023
Canara Bank	8,636.00	25,908.00	Repayable in 2 quarterly instalments of INR 4,318 each from June 2023
Canara Bank	18,000.00	30,000.00	Repayable in 6 quarterly instalments of INR 3,000 each from June 2023
Canara Bank	16,363.64	-	Repayable in 9 quarterly instalments of INR 1,818 each from June 2023
Canara Bank	30,000.00	-	Repayable in 16 quarterly instalments of INR 1,875 each from June 2023
Central Bank of India	-	5,914.92	Repayable in 2 quarterly instalments of INR 3,000 each from May 2022
Central Bank of India	-	3,697.76	Repayable in June 2022
Central Bank of India	1,837.03	5,599.23	Repayable in 2 quarterly instalments of INR 937.5 each from May 2023
Central Bank of India	1,844.01	5,612.06	Repayable in 2 quarterly instalments of INR 937.50 each from May 2023
Central Bank of India	5,974.51	9,999.44	Repayable in 6 quarterly instalments of INR 1,000 each from June 2023
Central Bank of India	11,962.16	19,986.36	Repayable in 6 quarterly instalments of INR 2,000 each from June 2023

Name of Party	As at 31st March 2023	As at 31st March 2022	Terms of Repayment (based on last outstanding)
Central Bank of India	20,981.01	-	Repayable in 7 quarterly instalments of INR 3,000 each from June 2023
DBS Bank	2,857.14	5,000.00	Repayable in 12 monthly instalments of INR 238 each from April 2023
DBS Bank	2,857.14	5,000.00	Repayable in 12 monthly instalments of INR 238 each from April 2023
Federal Bank	10,000.00	-	Repayable in 10 quarterly instalments of INR 1,000 each from June 2023
Indian Bank	6,043.06	18,134.56	Repayable in 2 quarterly instalments of INR 3,000 each from June 2023
Indian Bank	12,591.27	24,349.30	Repayable in 15 monthly instalments of INR 833 each from April 2023 (two instalments were prepaid during the year ended March, 2023)
Indian Bank	16,117.74	10,002.26	Repayable in 12 quarterly instalments of INR 1,333 each from June 2023 (INR 10,000 availed additionally during the year ended March, 2023)
Indian Bank	9,161.20	-	Repayable in 10 quarterly instalments of INR 909 each from March 2023
Indian Bank	20,148.77	-	Repayable in 11 quarterly instalments of INR 1,819 each from September 2023
Oriental Bank of Commerce	-	3,309.56	Repayable in 2 quarterly instalments of INR 1,666.67 each in June 2022, September 2022
Punjab National Bank	36,002.31	30,000.00	Repayable in 8 quarterly instalments of INR 4,546 each from June 2023 (INR 20,000 availed additionally during the year ended March, 2023. INR 341.80 was paid in excess during the year ended March 31, 2023)
Punjab & Sind Bank	2,999.96	8,000.00	Repayable in 3 quarterly instalments of INR 1,000 each from June 2023 (one instalment was prepaid during the year ended March, 2023)
Punjab & Sind Bank	8,843.42	15,000.00	Repayable in 6 quarterly instalments of INR 1,500 each from May 2023
Punjab & Sind Bank	12,799.92	7,500.00	Repayable in 8 quarterly instalments of INR 1,600 each from June 2023 (INR 8,500 availed additionally during the year ended March, 2023)
Punjab & Sind Bank	9,000.00	-	Repayable in 9 quarterly instalments of INR 1,000 each from April 2023
State Bank of India	10,499.44	24,499.66	Repayable in 3 quarterly instalments of INR 3,500 each from May 2023
State Bank of India	22,749.09	32,499.85	Repayable in 7 quarterly instalments of INR 3,250 each from May 2023
State Bank of India	44,549.97	-	Repayable in 18 quarterly instalments of INR 2,778 each from Oct 2023

Name of Party	As at 31st March 2023	As at 31st March 2022	Terms of Repayment (based on last outstanding)
UCO Bank	3,112.07	5,617.37	Repayable in 5 quarterly instalments of INR 625 each from June 2023
UCO Bank	6,246.70	9,371.72	Repayable in 8 quarterly instalments of INR 781.25 each from May 2023
UCO Bank	3,740.59	8,740.60	Repayable in 3 quarterly instalments of INR 1,250 each from April 2023
UCO Bank	4,982.31	9,982.33	Repayable in 4 quarterly instalments of INR 1,250 each from May 2023
UCO Bank	9,374.70	13,124.73	Repayable in 10 quarterly instalments of INR 937.50 each from April 2023
UCO Bank	14,999.93	13,000.00	Repayable in 12 quarterly instalments of INR 1,250 each from June 2023 (INR 7,000 availed additionally during the year ended March, 2023)
UCO Bank	17,500.00	-	Repayable in 14 quarterly instalments of INR 1,250 each from May 2023
United Bank of India	-	3,308.46	Repayable in May 2022
Ujjivan Bank	-	2,600.00	Repayable in 2 quarterly instalments of INR 1,300 each from June 2022
Ujjivan Bank	1,785.71	-	Repayable in 5 quarterly instalments of INR 357 each from May 2023
Ujjivan Bank	1,785.71	-	Repayable in 5 quarterly instalments of INR 357 each from May 2023
Yes Bank	5,684.84	8,528.84	Repayable in 8 quarterly installments of INR 711 each from June 2023
Adjustments on account of effective rate of interest	(2,504.69)	(1,344.65)	
Total	**5,02,962.85**	**4,23,033.35**	
Term Loan from Others			
Bajaj Finance	437.50	2,187.50	Repayable in 3 monthly instalments of INR 146 each from April 2023
Adjustments on account of effective rate of interest	-	(4.80)	
Total	**437.50**	**2,182.70**	

19 Subordinated Liabilities (At Amortised Cost)

Particulars	As at 31st March 2023	As at 31st March 2022
Subordinated Debt*	1,41,424.46	1,61,814.67
Subordinated Debt - Listed*	38,320.83	38,292.73
Perpetual Debt Instruments*	48,113.39	38,419.24
Total	**2,27,858.69**	**2,38,526.64**
Borrowings in India	2,27,858.69	2,38,526.64
Borrowings outside India	-	-

**Includes issue expenses amortised as per EIR.*

(a) Subordinated Debt instruments are unsecured, subordinated to the claims of all other creditors with an initial maturity of minimum 5 years. Subordinated Debt aggregating to INR Nil (31st March 2022 : INR 7,848) are guaranteed by promoter directors (Mr. Thomas John Muthoot, Mr.Thomas George Muthoot and Mr. Thomas Muthoot) of the Company.

(b) Maturity Profile of Subordinated Debt

Particulars	Amount
FY 2022-23	47,901.09
FY 2023-24	25,991.84
FY 2024-25	15,876.99
FY 2025-26	24,804.50
FY 2026-27	21,254.71
FY 2027-28	45,176.03
Adjustments on account of effective rate of interest	(1,259.86)
TOTAL	**1,79,745.30**

(c) Perpetual Debt Instruments are perpetual, unsecured instruments, which have been issued as per RBI guidelines. Unamortised Borrowing Cost on Perpetual Debt Instruments is INR 1,786.61 (31st March 2022: INR 1,480.76).

(d) The percentage of total PDI to the Tier I Capital of the Company as at 31st March 2023 is 15.72% (31st March 2022 - 14.24%). PDI in excess of 15% of previous year Tier I Capital is considered as Tier II Capital for computation of regulatory capital.

20 Other Financial Liabilities

Particulars	As at 31st March 2023	As at 31st March 2022
Interest Payable	48,413.01	54,416.47
Expenses Payable	3,588.56	2,264.72
Security deposits received	933.92	636.48
Unpaid matured debt and interest accrued thereon	4,828.69	3,368.83
Cumulative Compulsorily Convertible Preference Shares (CCCPS) (refer note a & b below)	15,732.00	15,213.00
Others	1,113.98	353.86
Total	**74,610.16**	**76,253.36**

Note a

(i) The Company had during the previous reporting year, issued 15,00,00,000, 14% CCCPS of INR 10 each at a price of INR 10 each to BPEA Credit – India Fund III – Scheme C & BPEA Credit – India Fund III – Scheme F (Collectively referred as investors) amounting to INR 15,000. The equity shares issued upon conversion of the CCPS will in all respects rank pari passu with equity shares at the time of conversion.

(ii) CCCPS shall be convertible to equity shares at the option of the investor at any time after the expiry of a period of 43 (forty three) months from the Closing Date (refer paragraph iii for exception) or upon the expiry of a period of 10 (ten) years from the Closing Date and shall be converted at lower of the fair values of the Equity Shares as determined by the:
(a) valuation report dated December 9, 2020 issued by Ernst & Young Merchant Banking Services LLP in relation to the issuance of the CCCPS; or
(b) valuation report to be issued by a registered valuer (in a form acceptable to the holders of the CCCPS) following the issuance of the Conversion Notice by the holders of the CCCPS.

(iii) The holders of the CCCPS may issue the Conversion Notice at any time after the Closing Date, upon the occurrence of any of the following events:
(a) non-payment of dividend by the Company in manner stipulated as per agreement on the relevant dividend payment dates,
(b) credit rating of the Company falling below A- (as certified by any credit rating agency); and/or
(c) any failure by the Company to maintain a Net Interest Margin of 7.0 (Seven percent) % or higher;
(d) any failure by the Company to maintain an overall Capital to Risk Assets Ratio of 16.0 (Sixteen percent) % or higher;
(e) any failure by the Company to maintain the aggregate Tier 2 Capital at 50% (Fifty percent) or lower than the aggregate Tier 1 Capital; or
(f) any failure by the Company to maintain the Gross Non-Performing Assets at 5.5% (Five decimal five percent) or lower and Net Non-Performing Assets at 4.0% (Four percent) or lower, to be tested on a semi-annual basis for Company as on (a) 31 March of each financial year, and (b) 30 September of each financial year

Note b - Change in fair value

Particulars	As at 31st March 2023	As at 31st March 2022
Cumulative change in fair value of the preference shares attributable to changes in credit risk	732.00	213.00
Change during the year in the fair value of the preference shares attributable to changes in credit risk	519.00	213.00

21 Provisions

Particulars	As at 31st March 2023	As at 31st March 2022
Provision for employee benefits		
- Gratuity	2,745.95	2,711.72
- Provision for compensated absences	338.74	248.09
- Employee Stock Option Outstanding	355.14	-
Total	**3,439.83**	**2,959.81**

22 Other Non-Financial Liabilities

Particulars	As at 31st March 2023	As at 31st March 2022
Statutory dues payable	2,696.64	1,634.89
Total	**2,696.64**	**1,634.89**

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MUTHOOT FINCORP LIMITED

Notes to standalone financial statements for the year ended March 31, 2023

(Rupees in lakhs, except for share data and unless otherwise stated)

23 Equity share capital

(a) Authorised share capital:

Equity Shares

Particulars	No. of Shares	Amount
At 31st March 2021	22,50,00,000	22,500.00
Add: Increased during the year	-	-
At 31st March 2022	22,50,00,000	22,500.00
Add: Increased during the year	-	-
At 31st March 2023	22,50,00,000	22,500.00

Preference Shares

Particulars	No. of Shares	Amount
At 31st March 2021	20,00,00,000	20,000.00
Add: Increased during the year	-	-
At 31st March 2022	20,00,00,000	20,000.00
Add: Increased during the year	-	-
At 31st March 2023	20,00,00,000	20,000.00

(b) Issued capital

Particulars	No. of Shares	Amount
At 31st March 2021	19,38,00,800	19,380.08
Add: Increased during the year	-	-
At 31st March 2022	19,38,00,800	19,380.08
Add: Increased during the year	-	-
At 31st March 2023	19,38,00,800	19,380.08

(c) Subscribed and Fully Paid Up Capital

Particulars	No. of Shares	Amount
At 31st March 2021	19,37,05,560	19,370.56
Add: Increased during the year	-	-
At 31st March 2022	19,37,05,560	19,370.56
Add: Increased during the year	-	-
At 31st March 2023	19,37,05,560	19,370.56

(d) Terms/ rights attached to equity shares :

The Company has only one class of equity shares having a face value of INR 10. Each holder of equity share is entitled to one vote per share. All shares rank pari passu with regard to dividend and repayment of capital. In the event of liquidation of Company, the holder of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts.

(e) Shareholder's having more than 5% equity shareholding in the Company

Particulars	As at 31st March 2023	As at 31st March 2022
	No. of shares and % of holding	
Mr. Thomas John Muthoot	5,14,56,049 - 26.56%	5,14,56,049 - 26.56%
Mr. Thomas George Muthoot	5,14,56,021 - 26.56%	5,14,56,021 - 26.56%
Mr. Thomas Muthoot	5,14,56,053 - 26.56%	5,14,56,053 - 26.56%
Ms. Preethi John Muthoot	1,29,13,704 - 6.67%	1,29,13,704 - 6.67%
Ms. Nina George	1,29,13,704 - 6.67%	1,29,13,704 - 6.67%
Ms. Remy Thomas	1,29,13,704 - 6.67%	1,29,13,704 - 6.67%

(f) Shares held by the promoters at the end of the year

Particulars	As at 31st March 2023	As at 31st March 2022
	No. of shares and % of holding	
Mr. Thomas John Muthoot	5,14,56,049 - 26.56%	5,14,56,049 - 26.56%
Mr. Thomas George Muthoot	5,14,56,021 - 26.56%	5,14,56,021 - 26.56%
Mr. Thomas Muthoot	5,14,56,053 - 26.56%	5,14,56,053 - 26.56%

24 Other Equity

Particulars	As at 31st March 2023	As at 31st March 2022
Securities Premium	38,129.85	38,129.85
Statutory Reserve (pursuant to Section 45-IC of the RBI Act, 1934)	65,099.92	55,903.70
Retained Earnings	1,65,732.44	1,30,303.52
Other Comprehensive income	1,00,970.68	1,01,241.70
Total	**3,69,932.89**	**3,25,578.77**

24.1 Nature and purpose of reserve

Securities Premium

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

Statutory Reserve

Statutory Reserve represents the Reserve Fund created under Section 45-IC of the Reserve Bank of India Act, 1934. Accordingly, INR 9,196.22 (March 31, 2022: INR 6,937.03) representing 20% of profit for the year has been transferred to the reserve.

Retained Earnings

This Reserve represents the cumulative profits of the Company. This is a free reserve which can be utilised for any purpose as may be required.

Other Comprehensive Income

Other comprehensive income consists of re-measurement of net defined benefit liability and fair value changes on equity instruments measured through other comprehensive income.

MUTHOOT FINCORP LIMITED

Notes to standalone financial statements for the year ended March 31, 2023

(Rupees in lakhs, except for share data and unless otherwise stated)

25 Interest Income (On Financial Assets measured at Amortised Cost)

Particulars	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
Interest on Loans	3,30,483.09	3,17,407.42
Interest Income from Investments	98.88	105.35
Interest on Deposit with Banks	1,541.07	1,247.97
Other Interest Income	44.49	-
Total	**3,32,167.53**	**3,18,760.74**

26 Others

Particulars	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
Income from Money transfer	657.10	720.64
Income From Forex Operations	330.17	193.22
Income From Power Generation	879.84	920.85
Income from Investment	630.37	1,473.36
Other Income	56.58	24.30
Total	**2,554.06**	**3,332.38**

27 Finance Costs

Particulars	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
Interest on Borrowings	85,602.82	83,647.71
Interest on Debt Securities	31,718.17	44,077.23
Interest on Subordinate Liabilities	22,466.18	21,904.26
Interest on Lease Liabilities	8,924.09	6,031.00
Dividend on CCCPS	2,100.00	1,050.00
Other Charges	6,321.29	6,837.58
Total	**1,57,132.55**	**1,63,547.79**

28 Impairment on Financial Instruments

Particulars	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
Provision for impairment on loan assets	5,661.71	7,152.74
Loans written off	1,055.32	-
Total	**6,717.02**	**7,152.74**

29 Net (Gain) / Loss on fair value changes

Particulars	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
(A) Net (gain)/ loss on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	(229.07)	18.27
(ii) On fair valuation of cumulative compulsorily convertible preference shares	519.00	213.00
Total Net gain/(loss) on fair value changes	**289.93**	**231.27**
Fair Value changes:		
- Realised	(184.33)	-
- Unrealised	474.26	231.27
Total Net gain/(loss) on fair value changes	**289.93**	**231.27**

(a) Fair value changes in this schedule are other than those arising on account of accrued interest income/expense.

30 Employee benefits expenses

Particulars	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
Salaries and Wages	51,772.54	46,801.49
Contributions to Provident and Other Funds	2,929.59	2,833.83
Share based payments & stock appreciation rights	586.09	-
Incentives	2,193.44	1,738.93
Bonus & Exgratia	1,412.78	1,793.85
Staff Welfare Expenses	1,050.30	522.75
Total	**59,944.74**	**53,690.84**

31 Depreciation expense

Particulars	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
Depreciation of Tangible Assets	4,438.41	5,624.75
Amortization of Intangible Assets	661.71	472.35
Depreciation of Right of Use Assets	13,398.28	14,973.39
Total	**18,498.40**	**21,070.48**

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32 Other Expenses

Particulars	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
Rent, taxes and energy costs	5,622.11	3,907.82
Repairs and maintenance	2,623.98	2,459.25
Advertisement and publicity	8,744.64	8,384.85
Communication costs	8,257.99	10,630.36
Printing and Stationery	1,169.48	982.89
Legal & Professional Charges	4,566.36	4,278.83
Insurance	1,446.87	1,162.31
Auditor's fees and expenses	37.06	37.33
Director's fees, allowances and expenses	668.99	559.71
Security Charges	4,859.32	4,675.40
Travelling and Conveyance	2,633.25	1,892.78
Donations & CSR Expenses	454.08	292.32
Write off - Other Receivables	2,345.48	-
Other Expenditure	870.97	1,021.01
Total	**44,300.56**	**40,284.88**

(a) Auditors Remuneration

Particulars	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
As auditor		
Statutory Audit fees	30.00	30.00
Tax Audit fees	-	2.00
For other services		
Certification and other matters	4.00	4.73
Total	**34.00**	**36.73**

Above figures are exclusive of GST

(b) CSR Expenditure

As required under Section 135 of the Companies Act, 2013, the Company was required to spend INR 845.49 in the reporting year in pursuance of its Corporate Social Responsibility Policy, being two per cent of the average net profits of the company made during the three immediately preceding financial years. The Company has during the year, spent a total of INR 452.26 towards CSR expenditure. The unspent portion of INR 393.23 has been transferred to the designated bank account for unspent corporate social responsibility by the Company.

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Particulars	As on 31-03-2023	As on 31-03-2022
(a) Amount required to be spent by the company during the year	845.49	692.06
(b)Amount of expenditure incurred	452.26	290.33
(c) Shortfall at the end of the year	393.23	401.73
(d) Total of previous year shortfall	401.73	-
(e) Reason for shortfall	With regard to the Sports Infrastructure project at Palakkad, based on advise from Architects, a wider road alternative had to be considered, evaluation and negotiations of which delayed the start of the construction work.	Major portion of the funds was allocated for the Sports Infrastructure project at Palakkad. Due to COVID situations, the process of getting work permit has gotten delayed and is awaited from the concerned Department. The Smile Please mission-Gulbarga was not implemented since the Medical Council has not given consent due to the omicron spread in the region. One other partnership project in Rajasthan also got delayed due to the COVID third wave and Omicron challenges.
(f) Nature of CSR activities	CSR activities were undertaken in the fields of Health, Education & Livelihood.	CSR activities were undertaken in the fields of Health, Education & Livelihood.
(g) Details of related party transactions	N/A	N/A
(h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	N/A	N/A

(c) In view of regulatory advise and based on approval of the Board of Directors, the Company has during the year written off non-financial assets amounting to INR 2,345.48 against Employees Provident Fund recovered from the Company in respect of dues towards provident fund of erstwhile staff.

33 Earnings Per Share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of the company (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Particulars	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
Net profit attributable to ordinary equity holders	45,981.08	34,685.13
Weighted average number of ordinary shares for basic earnings per share	19,37,05,560	19,37,05,560
Effect of dilution:	74,92,507	60,96,643
Weighted average number of ordinary shares adjusted for effect of dilution	20,11,98,067	19,98,02,203
Earnings per share		
Basic Earnings per share	23.74	17.91
Diluted Earnings per share	22.85	17.36

(Rupees in lakhs, except for share data and unless otherwise stated)

34 Income Tax

The components of income tax expense for the year ended 31st March, 2023 and year ended 31st March, 2022 are:

Particulars	**For the Year Ended 31st March 2023**	**For the Year Ended 31st March 2022**
Current Income tax expense	17,609.54	13,719.62
Deferred tax relating to origination and reversal of temporary differences	(1,347.46)	(1,591.11)
Total tax expense reported in statement of profit and loss	**16,262.08**	**12,128.51**
OCI Section		
Deferred tax related to items recognised in OCI during the period:		
Net gain / (loss) on equity instruments measured through other comprehensive income	(91.67)	493.93
Remeasurement of the defined benefit liabilities	18.48	45.12
Income tax charged to OCI	**(73.19)**	**539.05**

Reconciliation of Income tax expense:

The income tax charge shown in the statement of profit and loss differ from the income tax charge that would apply if all the profits had been charged at India corporate tax rate. A reconciliation between the income tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended 31st March 2023 and year ended 31st March 2022 is, as follows:

Particulars	**For the Year Ended 31st March 2023**	**For the Year Ended 31st March 2022**
Accounting profit before tax	62,243.16	46,813.64
At India's statutory income tax rate of 25.168%* (2021: 25.168%*)	**15,665.36**	**11,782.06**
Adjustments in respect of current income tax of previous year		
(i) Expenses not eligible for deduction under the Income Tax Act	2,231.29	1,937.56
(ii) Income chargeable to tax under separate rate of tax (capital gain)	(287.11)	-
Current Income Tax expense reported in the statement of profit or loss	**17,609.54**	**13,719.62**
Effective Income Tax Rate	**28.29%**	**29.31%**

*The Company has exercised the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

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

	Deferred tax assets	Deferred tax liabilities	Statement of profit and loss	OCI
	As at 31st March 2023	**As at 31st March 2023**	**2022-23**	**2022-23**
Opening Balance		**23,668.26**		
Fixed asset: Timing difference on account of Depreciation and Amortisation	48.35	-	(48.35)	-
Bonus Disallowed due to non-payment	28.30	-	(28.30)	-
Provision for gratuity	20.36	-	(20.36)	-
Provision for Leave Encashment	22.82	-	(22.82)	-
Impairment allowances on financial assets	497.54	-	(497.54)	-
Fair Valuation of Financial Assets	-	9.51	101.18	(91.67)
Financial liabilities measured at amortised cost	-	361.64	361.64	-
Financial assets measured at amortised cost	263.34	-	(263.34)	-
Financial liabilities measured at fair value	911.09	-	(911.09)	-
Actuarial gain/loss on Employee benefits	-	-	(18.48)	18.48
Total	**1,791.80**	**24,039.40**	**(1,347.46)**	**(73.19)**

	Deferred tax assets	Deferred tax liabilities	Statement of profit and loss	OCI
	As at 31st March 2022	**As at 31st March 2022**	**2021-22**	**2021-22**
Opening Balance		**24,720.32**		
Fixed asset: Timing difference on account of Depreciation and Amortisation	355.65	-	(355.65)	-
Bonus Disallowed due to non-payment	113.57	-	(113.57)	-
Provision for gratuity	-	402.55	402.55	-
Provision for Leave Encashment	-	9.63	9.63	-
Impairment allowances on financial assets	1,078.12	-	(1,078.12)	-
Fair Valuation of Financial Assets	169.36	-	(663.29)	493.93
Financial liabilities measured at amortised cost	-	359.30	359.30	-
Financial assets measured at amortised cost	53.23	-	(53.23)	-
Financial liabilities measured at fair value	53.61	-	(53.61)	-
Actuarial gain/loss on Employee benefits	-	-	(45.12)	45.12
Total	**1,823.53**	**25,491.79**	**(1,591.11)**	**539.05**

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(Rupees in lakhs, except for share data and unless otherwise stated)

35 Retirement Benefit Plan

Defined Contribution Plan

The Company makes contributions to Provident Fund & Employee State Insurance which are defined contribution plans for qualifying employees. The amounts recognized for the aforesaid contributions in the statement of profit and loss are shown below:

Particulars	As at 31st March 2023	As at 31st March 2022
Contributions to Provident Fund	2,250.15	2,171.19
Contributions to Employee State Insurance	666.86	655.56
Defined Contribution Plan	**2,917.00**	**2,826.75**

Defined Benefit Plan

The Company has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on leaving the service of the company at 15 days salary (last drawn salary) for each completed year of service.

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.

Particulars	As at 31st March 2023	As at 31st March 2022
Present value of funded obligations	2,745.95	2,711.72
Fair value of planned assets	2,551.55	2,598.21
Net Defined Benefit obligation/(asset)	**194.40**	**113.51**

Post employment defined benefit plan

Net benefit expense recognised in statement of profit and loss	As at 31st March 2023	As at 31st March 2022
Current service cost	423.13	458.43
Net Interest on net defined benefit liability/ (asset)	8.08	113.91
Net benefit expense	**431.21**	**572.34**

Balance Sheet

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

Particulars	As at 31st March 2023	As at 31st March 2022
Defined benefit obligation at the beginning of the year	2,711.72	2,537.49
Current service cost	423.13	458.43
Interest cost on benefit obligations	193.07	168.74
Actuarial (Gain) / Loss on Total Liabilities	(101.50)	(128.95)
Benefits paid	(480.48)	(323.99)
Benefit obligation at the end of the year	**2,745.95**	**2,711.72**

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

Particulars	**As at 31st March 2023**	**As at 31st March 2022**
Fair value of plan assets at the beginning of the year	2,598.21	824.57
Actual Return on Plan Assets	156.91	105.15
Employer contributions	276.90	1,992.49
Benefits paid	(480.48)	(323.99)
Fair value of plan assets as at the end of the year	**2,551.55**	**2,598.21**

Remeasurement gain/ (loss) in other comprehensive income (OCI)	**As at 31st March 2023**	**As at 31st March 2022**
Actuarial gain/(loss) on obligation	-	-
Experience adjustments	20.62	10.90
Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/(asset)	(28.08)	50.31
Actuarial changes arising from changes in financial assumptions	80.88	118.06
Actuarial gain /(loss) (through OCI)	**73.42**	**179.27**

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

Particulars	**As at 31st March 2023**	**As at 31st March 2022**
Salary Growth Rate	3.00%	3.00%
Discount Rate	7.46%	7.12%
Withdrawal Rate	5.00%	5.00%
Mortality	100% of IALM 2012-14	100% of IALM 2012-14
Interest rate on net DBO	7.12%	6.65%
Expected average remaining working life	27.19	27.12

Investments quoted in active markets:

Particulars	**As at 31st March 2023**	**As at 31st March 2022**
Equity instruments	-	-
Debt instruments	-	-
Real estate	-	-
Derivatives	-	-
Investment Funds with Insurance Company	100.00%	100.00%
Of which, Unit Linked	-	-
Of which, Traditional/ Non-Unit Linked	100.00%	100.00%
Asset-backed securities	-	-
Structured debt	-	-
Cash and cash equivalents	-	-
Total	100.00%	100.00%

A quantitative sensitivity analysis for significant assumptions as at 31st March 2023 and 31st March 2022 are as shown below:

Assumptions	Sensitivity Level	As at 31st March 2023	As at 31st March 2022
Discount Rate	Increase by 1%	2,530.52	2,487.66
Discount Rate	Decrease by 1%	2,996.40	2,974.11
Further Salary Increase	Increase by 1%	3,005.28	2,982.66
Further Salary Increase	Decrease by 1%	2,519.85	2,477.28
Employee turnover	Increase by 1%	2,842.64	2,804.44
Employee turnover	Decrease by 1%	2,635.11	2,604.28
Mortality Rate	Increase in expected lifetime by 1 year	2,737.88	2,702.74
Mortality Rate	Increase in expected lifetime by 3 years	2,754.02	2,687.26

The weighted average duration of the defined benefit obligation as at 31st March 2023 is 11 years (2022: 10 years).

Gratuity liability is funded through a Gratuity Fund managed by Life Insurance Corporation of India Ltd.

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 Company's plans are shown below:

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

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

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(Rupees in lakhs, except for share data and unless otherwise stated)

36 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	As at 31st March 2023			As at 31st March 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	2,52,361.58	-	2,52,361.58	2,35,980.59	-	2,35,980.59
Bank Balance other than above	17,001.25	-	17,001.25	11,089.14	-	11,089.14
Trade receivables	1,321.47	1,811.69	3,133.15	2,630.50	-	2,630.50
Loans	16,71,685.22	53,367.98	17,25,053.20	16,70,364.49	31,156.39	17,01,520.88
Investments	2,919.11	1,83,752.40	1,86,671.51	2,111.56	1,61,847.50	1,63,959.06
Other financial assets	10,616.19	3,869.51	14,485.70	4,239.03	8,810.84	13,049.87
Non-financial Assets						
Current tax assets (net)	-	-	-	2,997.82	-	2,997.82
Investment Property	-	26,119.76	26,119.76	-	30,236.55	30,236.55
Property, plant and equipment	-	39,301.60	39,301.60	-	38,915.42	38,915.42
Intangible assets under development	-	676.00	676.00	-	-	-
Other intangible assets	-	844.48	844.48	-	937.59	937.59
Right-of-use assets	11,877.78	68,058.21	79,935.99	9,782.07	48,157.61	57,939.67
Other non financial assets	20,989.24	3,326.66	24,315.90	4,110.84	27,009.15	31,120.00
Total assets	**19,88,771.83**	**3,81,128.29**	**23,69,900.12**	**19,43,306.03**	**3,47,071.05**	**22,90,377.08**
Liabilities						
Financial Liabilities						
Trade payables	4,014.97	-	4,014.97	4,782.30	-	4,782.30
Debt Securities	1,37,482.59	1,67,160.38	3,04,642.97	1,43,022.17	2,36,356.86	3,79,379.03
Borrowings (other than debt security)	9,84,885.45	2,64,930.36	12,49,815.81	9,30,915.28	2,22,651.74	11,53,567.02
Lease Liability	17,868.12	71,096.89	88,965.01	7,978.41	56,678.05	64,656.45
Subordinated Liabilities	47,775.65	1,80,083.04	2,27,858.69	43,497.06	1,95,029.58	2,38,526.64
Other Financial liabilities	33,482.81	41,127.36	74,610.16	37,484.95	38,768.41	76,253.36
Non-financial Liabilities						
Current tax liabilities (net)	2,305.00	-	2,305.00	-	-	-
Provisions	409.31	3,030.52	3,439.83	213.81	2,746.00	2,959.81
Deferred tax liabilities (net)	-	22,247.61	22,247.61	-	23,668.26	23,668.26
Other non-financial liabilities	2,696.64	-	2,696.64	1,634.89	-	1,634.89
Total Liabilities	**12,30,920.54**	**7,49,676.14**	**19,80,596.68**	**11,69,528.87**	**7,75,898.88**	**19,45,427.75**
Net	**7,57,851.30**	**(3,68,547.85)**	**3,89,303.45**	**7,73,777.16**	**(4,28,827.84)**	**3,44,949.33**

(Rupees in lakhs, except for share data and unless otherwise stated)

37 Change in liabilities arising from financing activities

Particulars	As at 1st April 2022	Cash Flows	Ind AS 116 - Lease Liabilities	Others	As at 31st March 2023
Debt Securities	3,79,379.03	(75,398.88)	-	662.82	3,04,642.97
Borrowings other than debt securities	11,53,567.02	97,275.85	-	(1,027.06)	12,49,815.81
Lease Liabilities	64,656.45	(18,722.79)	43,031.35	-	88,965.01
Subordinated Liabilities	2,38,526.64	(9,595.30)	-	(1,072.65)	2,27,858.69
Total liabilities from financing activities	**18,36,129.13**	**(6,441.12)**	**43,031.35**	**(1,436.89)**	**18,71,282.47**

Particulars	As at 1st April 2021	Cash Flows	Ind AS 116 - Lease Liabilities	Others	As at 31st March 2022
Debt Securities	4,36,586.45	(57,821.90)	-	614.47	3,79,379.03
Borrowings other than debt securities	10,98,836.85	56,034.28	-	(1,304.11)	11,53,567.02
Lease Liabilities	47,841.90	(17,821.39)	34,635.94	-	64,656.45
Subordinated Liabilities	2,49,512.07	(9,201.75)	-	(1,783.69)	2,38,526.64
Total liabilities from financing activities	**18,32,777.27**	**(28,810.76)**	**34,635.94**	**(2,473.32)**	**18,36,129.13**

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38. Contingent Liabilities (to the extent not provided for)

Particulars	As at 31st March 2023	As at 31st March 2022
Contingent Liabilities		
(i) Income Tax Demands	3,420.85	3,419.85
(ii) Service Tax Demands	5,106.18	5,106.18
(iii) Value Added Tax Demands	1,327.12	1,327.12
(iv) Bank Guarantees	43.81	36.90
(v) Claims not acknowledged as debt in view of counter claims raised	-	917.78

(vi) The Company had filed a Writ Petition before the Honourable High Court of Madras on 30th July, 2019 challenging the Order passed by the Income Tax Settlement Commission, Chennai Bench abating the proceedings before it relating to the Settlement Application filed by the Company dated December 17, 2017 ("Settlement Application"); and praying for stay on proceedings initiated by the Joint Commissioner of Income Tax (OSD), Central Circle, Thiruvananthapuram post abatement of proceedings by the Settlement Commission. The tax and interest due on the issues forming part of the Settlement Application totaled to ₹ 7,406 lakh. The Settlement Application related to notices received under Section 147 of the Income Tax Act, as per which the income chargeable to tax for the Financial Years 2011-12 to 2016-17 of MFL has not been assessed, and Section 153A of the Income Tax Act, as per which MFL was required to prepare true and correct return of which MFL was assessable for the Assessment Years 2011-2012 to 2016-2017. The Honourable High Court of Madras has dismissed the petition filed by the Company on June 29, 2022 on the ground that the cause of action of the matter has arisen fully in Kerala and not within the territorial jurisdiction of the honourable Madras High Court, thereby ousting its jurisdiction to entertain the petition. Accordingly, the Company has filed a writ petition before the Honorable High Court of Kerala proceedings of which are ongoing.

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39 Related Party Disclosures

Names of Related parties with whom transaction has taken place

(A) Subsidiaries

1 Muthoot Microfin Limited
2 Muthoot Housing Finance Company Limited
3 Muthoot Pappachan Technologies Limited

(B) Key Management Personnel	Designation
1 Thomas John Muthoot	Managing Director
2 Thomas George Muthoot	Director
3 Thomas Muthoot	Wholetime Director Cum Chief Financial Officer
4 Preethi John Muthoot	Director
5 Kurian Peter Arattukulam	Director
6 Vikraman Ampalakkat	Director
7 Badal Chandra Das	Director
8 Ravi Ramchandran	Director
9 Sachu Sivas	Company Secretary

(C) Enterprises owned or significantly influenced by key management personnel or their relatives

1 MPG Hotels and Infrastructure Ventures Private Limited
2 Muthoot Automotive (India) Private Limited
3 Muthoot Automobile Solutions Private Limited
4 Muthoot Capital Services Limited
5 Muthoot Motors Private Limited
6 Muthoot Risk Insurance and Broking Services Private Limited
7 Muthoot Pappachan Chits (India) Private Limited
8 Muthoot Exim Private Limited
9 Muthoot Kuries Private Limited
10 MPG Security Group Private Limited
11 Muthoot Estate Investments
12 Muthoot Motors (Cochin)
13 Muthoot Pappachan Foundation
14 M-Liga Sports Excellence Private Limited
15 Thinking Machine Media Private Limited
16 Muthoot Hotels Private Limited
17 Speckle Internet Solutions Private Limited

(D) Relatives of Key Management Personnel

1 Janamma Thomas
2 Nina George
3 Remmy Thomas
4 Thomas M John
5 Suzannah Muthoot
6 Hannah Muthoot
7 Tina Suzanne George
8 Ritu Elizabeth George
9 Shweta Ann George

Related Party transactions during the year:

Particulars	Key Management Personnel & Directors		Relatives of Key Management Personnel		Entities over which Key Management Personnel and their relatives are able to exercise significant influence		Subsidiaries	
	Year Ended 31st March 2023	Year Ended 31st March 2022	Year Ended 31st March 2023	Year Ended 31st March 2022	Year Ended 31st March 2023	Year Ended 31st March 2022	Year Ended 31st March 2023	Year Ended 31st March 2022
Revenue								
Auction of Gold Ornaments	-	-	-	-	2,644.20	6,104.86	-	-
Commission Received	-	-	-	-	1,309.19	1,189.86	518.80	350.45
Rent received	-	-	-	-	301.75	283.51	136.71	141.79
Revenue from Travel Services	1.54	1.59	0.40	-	47.81	10.10	26.64	16.88
Sale of Used Assets	-	-	-	-	-	0.03	-	-
Interest on ICD	-	-	-	-	44.49	-	-	-
Interest accrued on loans & advances	1,964.98	2,388.00	-	-	-	29.66	-	-
Expense								
Commission Paid	600.00	500.00	-	-	2.10	17.09	1.42	34.03
Interest paid	504.84	483.65	71.83	78.74	224.38	186.64	-	-
Hotel Service payments	-	-	-	-	28.16	28.31	-	-
Professional & Consultancy Charges	-	-	-	-	2,095.44	2,104.14	1,635.60	1,562.94
Purchase of Gold / Silver Coins	-	-	-	-	3.02	90.77	-	-
Reimbursement of Expenses	-	-	-	-	(32.67)	(20.32)	(20.82)	(15.76)
Rent paid	108.18	104.75	-	-	19.60	17.51	-	-
Remuneration Paid	6,008.79	5,039.60	52.37	41.00	-	-	-	-
Annuity Insurance	203.60	-	-	-	-	-	-	-
Sitting Fee paid	13.75	13.50	-	-	-	-	-	-
Eswarna payments	-	-	-	-	63.34	-	-	-
Repairs and maintenance	-	-	-	-	4.73	1.89	-	-
Asset								
Advance for CSR Activities	-	-	-	-	462.97	298.37	-	-
Investment made in Equity	-	-	-	-	-	200.00	-	-
Loan repayments received	(19,900.00)	-	-	-	-	(290.00)	-	-
Loans Advanced	15,000.00	-	-	-	-	-	-	-
ICD advanced	-	-	-	-	7,000.00	-	-	-
ICD repaid	-	-	-	-	(7,000.00)	-	-	-
Purchase of shares of MML	18,608.52	-	4,616.48	-	-	-	-	-
Refund received against advance for property	(1,588.53)	-	(133.87)	-	(5,277.60)	(3,000.00)	-	-
Purchase of Vehicle	-	-	-	-	-	10.74	-	-
Liability								
Advance received towards Owners share	-	-	-	-	600.00	432.15	-	-
Inv-Debt Instruments	-	-	0.50	0.50	-	1.00	-	-
Redemption of Inv-Debt Securities	-	-	(155.00)	(1.14)	(24.99)	-	-	-
Security Deposit Accepted	-	-	-	-	87.36	140.00	0.91	1.37
Security Deposit Repaid	-	-	-	-	(70.95)	(167.13)	(4.41)	(1.42)
Dividend Paid	1,170.97	10,036.91	180.80	1,549.71	4.17	35.72	-	-

Balance outstanding as at the year end:

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Entities over which Key Management Personnel and their relatives are able to exercise significant influence		Subsidiaries	
	Year Ended 31st March 2023	Year Ended 31st March 2022	Year Ended 31st March 2023	Year Ended 31st March 2022	Year Ended 31st March 2023	Year Ended 31st March 2022	Year Ended 31st March 2023	Year Ended 31st March 2022
Asset								
Advance for CSR Activities	-	-	-	-	10.71	8.05	-	-
Advance for Property/Shares	-	1,588.53	-	133.87	19,000.17	24,277.77	-	-
Advance receivable towards Owners share	-	-	-	-	2,859.42	903.13	-	-
Commission Receivable	-	-	-	-	127.19	68.99	45.33	40.10
Expense Reimbursements Receivable	-	-	-	-	1.09	1.48	1.47	0.88
Interest on Loan Receivable	774.25	61.55	-	-	-	-	-	-
Loans Advanced	15,000.00	19,900.00	-	-	-	-	-	-
Rent Receivable	-	-	-	-	14.33	12.40	11.95	2.92
Travel Service Receivables	1.99	0.79	-	-	7.90	4.06	4.59	1.51
Investment-Equity Outstanding	-	-	-	-	217.00	217.00	49,740.45	26,515.45
Liability								
Collection balance payable	-	-	-	-	-	0.22	-	-
Commission Payable	-	-	-	-	0.04	0.27	0.07	0.46
Interest Payable	-	2.58	6.44	54.22	12.85	6.40	-	-
Rent Payable	-	0.23	-	-	1.77	0.92	-	-
Inv-Debt Instruments	395.00	267.30	305.55	332.33	159.66	107.53	-	-
PDI outstanding	4,045.00	3,845.00	390.00	355.00	2,793.00	1,025.00	-	-
Professional & Consultancy Charges payable	-	-	-	-	0.88	0.12	20.90	-
Security Deposit received	-	-	-	-	47.57	30.50	43.48	46.97
Other Payable	-	-	-	-	0.27	3.99	-	-

Note

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

Compensation of key management personnel of the Company:

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

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Short–term employee benefits	6,022.54	5,053.10
Post-employment benefits	203.60	-
Total compensation paid to key managerial personnel	**6,226.14**	**5,053.10**

(Rupees in lakhs, except for share data and unless otherwise stated)

40 Capital

Capital Management

The primary objective of the Company’s capital management policy is to ensure that the Company complies with externally imposed capital requirements and maintains healthy credit ratings and capital ratios in order to support its business and to maximize shareholder value.

Being an NBFC-SI, the RBI requires the Company to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of a minimum Tier I Capital of 12% and a combined Tier I & Tier II Capital of 15% of our aggregate risk weighted assets. The capital management process of the Company ensures to maintain a healthy CRAR at all the times. The Company has issued perpetual debt instruments aggregating to INR 10,000 (March 31, 2022 - INR 13,500) during the year and had issued cumulative compulsorily convertible preference shares aggregating to INR 15,000 during the previous year ended March 31, 2022 thereby strengthening the regulatory capital levels.

Regulatory capital	**As at 31st March 2023**	**As at 31st March 2022**
Tier I Capital	3,06,097	2,69,746
Tier II Capital	90,219	85,992
Total capital	**3,96,316**	**3,55,738**
Risk weighted assets	**18,57,078**	**18,31,579**
CRAR		
Tier I Capital (%)	16.48%	14.73%
Tier II Capital (%)	4.86%	4.69%

Tier I Capital comprises of share capital, share premium, reserves, retained earnings including current year profits, cumulative compulsorily convertible preference shares and perpetual debt instruments subject to permissible limits. Certain adjustments are made to Ind AS–based results and reserves, in order to ensure compliance with the directions of the Reserve Bank of India. Tier II Capital consists primarily of Subordinated Debt Instruments, subject to permissible limits as per the directions of the Reserve Bank of India and PDI in excess of 15% of Tier I Capital of the Company as at the previous year.

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(Rupees in lakhs, except for share data and unless otherwise stated)

41 Fair Value Measurement

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 (i.e., an exit price), 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.

Fair Value Hierarchy of assets and liabilities

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy as at March 31, 2023:

Particulars	At FVTPL			
	Level-1	Level-2	Level-3	Total
Financial Assets				
Inv-JM Financial India Fund II	236.50	-	-	236.50
Inv-Strugence Debt Fund	997.61	-	-	997.61
Inv-BPEA India Credit - Trust II	168.86	-	-	168.86
Financial Liabilities				
Cumulative Compulsorily Convertible Preference Shares (CCCPS)	-	-	15,732.00	15,732.00

Particulars	At FVTOCI			
	Level-1	Level-2	Level-3	Total
Inv-Muthoot Microfin Limited	-	1,66,298.57	-	1,66,298.57
Inv-Muthoot Pappachan Chits Private Limited	-	14.94	-	14.94
Inv-Avenues India Private Limited	-	479.10	-	479.10
Inv-Fair Asset Technologies (P) Limited	-	720.64	-	720.64
Inv-Equity Shares (DP account with Motilal Oswal)	1,690.38	-	-	1,690.38
Inv-PMS - Motilal Oswal	231.12	-	-	231.12
Inv-The Thinking Machine Media Private Limited	-	9.00	-	9.00
Inv-Speckle Internet Solutions Private Limited	-	42.86	-	42.86

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy as at March 31, 2022:

Particulars	At FVTPL			
	Level-1	Level-2	Level-3	Total
Financial Assets				
Inv-JM Financial India Fund II	156.37	-	-	156.37
Inv-Strugence Debt Fund	997.48	-	-	997.48
Inv-BPEA India Credit - Trust II	514.24	-	-	514.24
Financial Liabilities				
Cumulative Compulsorily Convertible Preference Shares (CCCPS)	-	-	15,213.00	15,213.00

Particulars	At FVTOCI			
	Level-1	Level-2	Level-3	Total
Inv-Muthoot Microfin Limited	-	1,42,977.72	-	1,42,977.72
Inv-Muthoot Pappachan Chits Private Limited	-	15.14	-	15.14
Inv-Avenues India Private Limited	-	477.67	-	477.67
Inv-Fair Asset Technologies (P) Limited	-	719.85	-	719.85
Inv-Equity Shares (DP account with Motilal Oswal)	1,646.32	-	-	1,646.32
Inv-PMS - Motilal Oswal	465.24	-	-	465.24
Inv-The Thinking Machine Media Private Limited	-	9.00	-	9.00
Inv-Speckle Internet Solutions Private Limited	-	198.10	-	198.10

Fair value technique

Investment at fair value through profit and loss

For investment at fair value through profit and loss, valuation are done using quoted prices from active markets or on published Net Asset Values of the investment at the measurement date or at the nearest available date.

Equity instruments

The equity instruments which are actively traded on public stock exchanges with readily available active prices on a regular basis are classified as Level 1. Units held in mutual funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions are generally Level 1. Equity instruments in non-listed entities are initially recognised at transaction price and re-measured as per fair valuation report and valued as at the measurement date or at the nearest available date has been classified as Level 2.

Financial Liabilities with significant unobservable inputs (Level 3)

This level of hierarchy includes financial liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data, this level of hierarchy includes cumulative compulsory convertible preference shares.

The fair value of the CCCPS is measured using the Monte Carlo Simulation technique. The Monte Carlo Simulation Method is one where a risk-neutral framework is used to simulate a range of simulated values, representing all the potential paths a variable could move over the period of the simulation. The inputs to this model are taken from observable market where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Significant unobservable inputs	As at March 31, 2023		As at March 31, 2022	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Discount Rate of CCCPS Coversion Feature	(544.00)	564.72	(511.25)	531.08
Discount for Lack of Marketability	(242.03)	242.03	(234.05)	234.05

Movements in Level 3 financial instruments measured at fair value

Particulars	As at 31st March 2023	As at 31st March 2022
Financial liability maesured at FVTPL		
Cumulative Compulsorily Convertible Preference Shares (CCCPS)		
Opening Balance	15,213.00	15,000.00
Issued during the year	-	-
Converted during the year	-	-
Change in fair value	519.00	213.00
Closing balance	**15,732.00**	**15,213.00**

Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

Particulars	Level	Carrying Value		Fair Value	
		As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
Financial assets					
Cash and cash equivalents	1	2,52,361.58	2,35,980.59	2,52,361.58	2,35,980.59
Bank Balance other than above	1	17,001.25	11,089.14	17,001.25	11,089.14
Trade receivables	3	3,133.15	2,630.50	3,133.15	2,630.50
Loans	3	17,25,053.20	17,01,520.88	17,25,053.20	17,01,520.88
Investments	3	15,781.93	15,781.93	15,781.93	15,781.93
Other Financial assets	3	14,485.70	13,049.87	14,485.70	13,049.87
Financial assets		**20,27,816.81**	**19,80,052.90**	**20,27,816.81**	**19,80,052.90**
Financial Liabilities					
Trade Payable	3	4,014.97	4,782.30	4,014.97	4,782.30
Debt securities	3	3,04,642.97	3,79,379.03	3,04,642.97	3,79,379.03
Borrowings (other than debt securities)	3	12,49,815.81	11,53,567.02	12,49,815.81	11,53,567.02
Lease Liability	3	88,965.01	64,656.45	88,965.01	64,656.45
Subordinated liabilities	3	2,27,858.69	2,38,526.64	2,27,858.69	2,38,526.64
Other financial liabilities	3	58,878.16	61,040.36	58,878.16	61,040.36
Financial Liabilities		**19,34,175.60**	**19,01,951.80**	**19,34,175.60**	**19,01,951.80**

Valuation techniques

Short-term financial assets and liabilities

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

Loans and advances to customers

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

Fair values of portfolios are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics ie, type of loan. The Company then calculates and extrapolates the fair value to the entire portfolio using effective interest rate model that incorporate interest rate estimates considering all significant characteristics of the loans. The credit risk is applied as a top-side adjustment based on the collective impairment model incorporating probability of defaults and loss given defaults. Hence, the carrying amount of such financial assets at amortised cost net of impairment loss allowance is of reasonable approximation of their fair value.

Financial liability at amortised cost

The fair values of financial liability held-to-maturity are estimated using a effective interest rate model based on contractual cash flows using actual yields. Since the cost of borrowing on the reporting date is not expected to be significantly different from the actual yield considered under effective interest rate model, the carrying value of financial liabilities at amortised cost is considered a reasonable approximation of their fair value.

42 Segment Reporting

In accordance with Para 4 of IND AS 108, Operating Segments, segment information has been presented in the consolidated financial statements of Muthoot FinCorp Limited and therefore, no separate disclosure has been given in standalone financial statement.

(Rupees in lakhs, except for share data and unless otherwise stated)

43. Risk Management

The Company’s principal financial liabilities comprise borrowings and trade and other payables. The main purpose of these financial liabilities is to finance and support the company’s operations. The Company’s principal financial assets include loans, investments, cash and cash equivalents and other receivables that derive directly from its operations.
As a financial lending institution, Company is exposed to various risks that are related to lending business and operating environment. The principal objective in Company 's risk management processes is to measure and monitor the various risks that Company is subject to and to follow policies and procedures to address such risks.
The Company's Risk Management Committee of the Board of Directors constituted in accordance with the RBI rules has overall responsibility for overseeing the implementation of the Risk Management Policy. The committee meets quarterly to review the Risk Management practices and working of the Risk Management Department. The committee is chaired by an Independent Director. The Risk Management department periodically places its report to the committee for review. The committee’s suggestions for improving the Risk Management Practices are implemented by the Risk Management department.
The Company 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 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.
The major type of risk Company faces in business are credit risk, liquidity risk, market risk and operational risk.

I) Credit Risk
Credit Risk arises from the risk of loss that may occur from the default of Company's customers under loan agreements. Customer defaults and inadequate collateral may lead to loan losses.
The Company addresses credit risk through following major processes:
- Standardize the process of identifying new risks and designing appropriate controls for these risks
- Minimize losses due to defaults or untimely payments by borrowers
- Maintain an appropriate credit administration and loan review system
- Establish metrics for portfolio appraisal and monitoring
- Design appropriate credit risk mitigation techniques

A) Impairment Assessment
The Company is primarily engaged in the business of providing gold and SME loans. Whereas tenure of gold loans primarily range from 6 to 12 months, tenure of SME loans and loans against property range from 3 months to 180 months.

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

Definition of default and care
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.
The Company has considered a financial instrument as 'cured' and therefore re-classified out of Stage 3 during the year only once the entire dues have been received.

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

Rating	Loans Days past due (DPD)	Stages
High grade	Not yet due	Stage I
Standard grade	1-30 DPD	Stage I
Sub-standard grade	31-60 DPD	Stage II
Past due but not impaired	61-89 DPD	Stage II
Individually impaired	90 DPD or More	Stage III

Exposure at Default (EAD)
The outstanding balance as at the reporting date is considered as EAD by the company.

Probability of default (PD)
The Probability of Default is an estimate of the likelihood of default over a given time horizon. To calculate the ECL for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 month ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments. The Company uses historical information where available to determine PD. Considering the different products, schemes, ticket size, loan to value and geographies, the Company has bifurcated its loan portfolio into various pools. PD is calculated using Incremental NPA approach considering fresh slippage using historical information.
Based on its review of macro-economic developments and economic outlook, the Company has assessed that no adjustment is required for temporary overlays to determine qualitative impact on its PD.

Loss Given Default (LGD)
The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company expects to receive. LGD rates for Gold Loans have been computed internally based on the discounted recoveries in NPA accounts that are closed/ auctioned and upgraded during the year. For other loans, LGD rates have been arrived at guided by the Foundational Internal Ratings Based approach (FIRB) norms.
When estimating ECLs on a collective basis for a group of similar assets, the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Significant Increase in credit risk
The internal rating model evaluates the loans on an ongoing basis. The rating model also assesses if there has been a significant increase in credit risk since the previously assigned risk grade. One key factor that indicates significant increase in credit risk is when contractual payments are more than 30 days past due.

II) Liquidity risk
Asset Liability Management (ALM)
Liquidity risk is the risk of being unable to raise necessary funds from the market at optimal cost to meet operational and debt servicing requirements. The purpose of liquidity management is to ensure sufficient cash flow to meet all financial commitments and to capitalise on opportunities for business expansion. Board of Directors will have overall responsibility of monitoring, supervision and control of the Asset Liability Management (ALM) mechanism. Board will have a sub-committee of Directors (ALM Committee) to review the ALM position of the Company on at least half yearly intervals. An Asset Liability Committee (ALCO) consisting of senior executives of the Company including the Managing Director shall be responsible for the day to day as well as periodic monitoring and control of Asset Liability management. Our treasury team sources funds from multiple sources, including from banks, financial institutions, capital & retail markets to maintain a healthy mix of sources. The treasury 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 shows the maturity pattern of the assets and liabilities:

Maturity pattern of assets and liabilities as on 31st March 2023:

Particulars	Up to 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
Cash and cash equivalents	2,27,802.11	19,512.58	1,427.90	-	3,619.00	-	-	-	2,52,361.58
Bank Balance other than (a) above	7,006.88	-	-	2,631.51	7,362.86	-	-	-	17,001.25
Receivables	927.34	35.83	35.83	107.49	214.98	1,811.69	-	-	3,133.15
Loans	2,50,236.70	1,04,093.49	1,36,409.60	6,01,793.91	5,79,151.52	16,723.45	1,571.06	35,073.47	17,25,053.20
Investments	1,921.50	-	-	-	997.61	168.86	-	1,83,583.53	1,86,671.51
Other Financial assets	9,328.70	99.23	59.69	160.25	968.31	1,015.66	707.57	2,146.27	14,485.70
Total	**4,97,223.23**	**1,23,741.13**	**1,37,933.02**	**6,04,693.16**	**5,92,314.29**	**19,719.66**	**2,278.63**	**2,20,803.28**	**21,98,706.39**
Payables	4,014.97	-	-	-	-	-	-	-	4,014.97
Debt Securities	22,409.62	9,996.89	8,445.98	33,281.80	63,348.31	1,09,209.32	44,243.12	13,707.93	3,04,642.97
Borrowings (other than Debt Securities)	2,34,555.05	40,678.22	1,12,994.26	1,14,244.01	4,82,413.91	2,38,293.05	26,637.31	-	12,49,815.81
Subordinated Liabilities	5,889.30	4,040.52	3,174.20	9,075.22	25,596.41	41,934.45	45,729.27	92,419.32	2,27,858.69
Other Financial liabilities	14,766.93	1,215.26	952.67	4,049.22	12,498.72	30,030.44	8,363.83	2,733.08	74,610.16
Total	**2,81,635.86**	**55,930.89**	**1,25,567.12**	**1,60,650.25**	**5,83,857.34**	**4,19,467.26**	**1,24,973.54**	**1,08,860.33**	**18,60,942.59**

Maturity pattern of assets and liabilities as on 31st March 2022:

Particulars	Up to 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
Cash and cash equivalents	2,28,837.43	2,405.67	1,080.48	-	3,657.00	-	-	-	2,35,980.59
Bank Balance other than (a) above	6,769.42	-	-	3,051.13	1,268.58	-	-	-	11,089.14
Receivables	2,630.50	-	-	-	-	-	-	-	2,630.50
Loans	3,04,798.95	79,406.84	97,001.38	5,72,922.41	6,16,234.92	2,805.44	199.48	28,151.47	17,01,520.88
Investments	2,111.56	-	-	-	-	1,511.72	-	1,60,335.78	1,63,959.06
Other Financial assets	2,537.22	302.79	130.89	399.82	868.31	4,339.28	481.18	3,990.39	13,049.87
Total	**5,47,685.08**	**82,115.29**	**98,212.75**	**5,76,373.36**	**6,22,028.82**	**8,656.43**	**680.66**	**1,92,477.64**	**21,28,230.04**
Payables	4,782.30	-	-	-	-	-	-	-	4,782.30
Debt Securities	19,906.66	12,441.67	14,930.00	21,332.73	74,411.11	1,79,134.38	44,745.81	12,476.68	3,79,379.03
Borrowings (other than Debt Securities)	48,093.11	28,674.09	36,758.57	1,36,876.14	6,80,513.38	2,12,248.92	10,402.81	-	11,53,567.02
Subordinated Liabilities	2,673.70	2,746.57	2,088.25	8,396.96	27,591.58	74,996.73	40,621.54	79,411.31	2,38,526.64
Other Financial liabilities	6,149.11	2,010.39	1,820.61	5,765.66	21,739.18	31,179.65	5,991.94	1,596.82	76,253.36
Total	**81,604.90**	**45,872.71**	**55,597.42**	**1,72,371.50**	**8,04,255.24**	**4,97,559.68**	**1,01,762.09**	**93,484.81**	**18,52,508.35**

III) 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 and other market changes. The Company is exposed to three types of market risk as follows:

a) 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. The Company is 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 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 is as follows:

Particulars	March 31, 2023	March 31, 2022
On Borrowings		
1% increase	(17,768.95)	(17,782.04)
1% decrease	17,768.95	17,782.04

b) Price risk

Equity price risk is the risk that the fair value of equities decreases as the result of changes in level of equity indices and individual stocks. The trading and non-trading equity price risk exposure arises from equity securities classified at FVOCI". A 10% increase/(decrease) in the equity price (traded and non-traded) would have the impact as follows:

Particulars	Increase/(Decrease) in percentage	Sensitivity of profit or loss	Sensitivity of Other Comprehensive Income
As at 31st March 2023	10/(10)	140.30 / (140.30)	18,428.10 / (18,428.10)
As at 31st March 2022	10/(10)	166.81 / (166.81)	16,130.37 / (16,130.37)

A sudden fall in the gold price can result in increased customers defaults where the loan amount and interest exceeds the market value of gold, though the sentimental value of the gold jewellery to the customers may induce repayment and redemption of the collateral. This risk is partly mitigated by the fact that a minimum 25% margin is retained on the value of gold jewellery for the purpose of calculation of the loan amount. Further, the gold jewellery collateral is appraised solely based on the weight of its gold content, excluding weight and value of the stone studded in the jewellery if any. Though an occasional decrease in gold prices will not increase price risk significantly on account of our adequate collateral security margins, a sustained decrease in the market price of gold can additionally cause a decrease in the size of our loan portfolio and our interest income.

c) Prepayment risk

Prepayment risk is the risk that the Company will incur a financial loss because its customers and counterparties repay or request repayment earlier or later than expected.

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.

(Rupees in lakhs, except for share data and unless otherwise stated)

44 Employee Stock Option Plan and Stock Appreciation Plan

The Company has launched MFL Employee Stock Option Schemes and MFL Employee Stock Appreciation Right Schemes during the year with an objective to reward employees for their association with the Company, their performance as well as to attract, retain and motivate employees to contribute to the growth and profitability of the Company.

44.1. Employee Stock Option Plan

(i) The particulars on the Stock Option Plan are as follows:

Scheme name	MFL Employee Stock Option Scheme 2018
Date of Shareholders Meeting, where approval to introduce and implement ESOP was granted	July 13, 2018
Date of Board Meeting where grant of options were approved	August 12, 2022
Date of grant	August 30, 2022
No. of employees to whom such options were granted	301
Number of options granted	8,64,566
Method of settlement	Equity
Vesting conditions	The actual vesting of options will depend on continuation to hold the services being provided to the Company at the time of exercise of options, performance based parameters and such other conditions as mentioned in the ESOP Scheme.
Vesting period	**For ESOP Scheme II & IV, 2018** Option will be vested at the: End of year 1 from grant date : 20% End of year 2 from grant date : 30% End of year 3 from grant date : 50% **For ESOP Scheme V, 2018** Option will be vested at the: End of year 1 from grant date : 33.33% End of year 2 from grant date : 33.33% End of year 3 from grant date : 33.33%
Exercise Price (Amount in INR as per MFL ESOP Scheme 2018)	100.00
Exercise period	The options can be exercised over a period of 10 years from the date of grant.
Pricing Formula	As per valuation from a registered valuer

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(ii) Movement during the year in Options:

Particulars	MFL ESOP 2018
No. of Options :	
Outstanding at the beginning of the year	-
Granted during the year	8,64,566
Vested during the year	-
Exercised during the year	-
Lapsed during the year	-
Cancelled during the year*	76,647
Outstanding at the end of year	7,87,919
Unvested at the end of year	7,87,919
Exercisable at the end of year	-

** Due to employee separations post grant of option during the year*

(iii) The fair value of the options was estimated on the date of grant using the Black-Scholes model with the following significant assumptions:

Particulars	MFL ESOP 2018
Weighted average option fair value (Amount in INR)	141
Exercise price (Amount in INR)	100.00
Expected volatility of share price (%) *	42.06% - 43.20%
Option Life (years)	5.51 to 6.51 years
Expected dividends yield (%)	-
Risk free interest rate (%)	7.07% to 7.12%

**The expected volatility was determined based on historical volatility data of comparable peers whose are shares are listed*

(iv) The total expense recognised for the period arising from MFL ESOP 2018 amounted to INR 355.14 and the carrying amount for the corresponding liabilities as at March 31, 2023 amounted to INR 355.14.

44.2. Employee Stock Appreciation Plan

(i) The particulars on the Stock Appreciation Plan are as follows:

Scheme name	MFL Employee SAR Scheme 2018
Date of Shareholders Meeting, where approval to introduce and implement SAR was granted	July 13, 2018
Date of Board Meeting where grant of SAR were approved	August 12, 2022
Date of grant	August 30, 2022
No. of employees to whom such SAR were granted	2,315
Number of SAR granted	12,42,793
Method of settlement	Cash
Vesting conditions	The actual vesting of SAR will depend on continuation to hold the services being provided to the Company at the time of exercise, performance based parameters and such other conditions as mentioned in the SAR Scheme.
Vesting period	**For SAR Scheme Scheme II & III, 2018** SAR will be vested at the: End of year 1 from grant date : 20% End of year 2 from grant date : 30% End of year 3 from grant date : 50%
Exercise Price (Amount in INR as per MFL SAR Scheme 2018)	225.00
Pricing Formula	As per valuation from a registered valuer

(ii) Movement during the year in SAR Options:

Particulars	MFL SAR 2018
No. of SAR:	
Outstanding at the beginning of the year	-
Granted during the year	12,42,793
Vested during the year	-
Exercised during the year	-
Lapsed during the year	-
Cancelled during the year*	79,201
Outstanding at the end of year	11,63,592
Unvested at the end of year	11,63,592
Exercisable at the end of year	-

** Due to employee separations post grant of option during the year*

(iii) The fair value of the options was estimated on the date of grant using the Black-Scholes model with the following significant assumptions:

Particulars	MFL SAR 2018
Weighted average option fair value (Amount in INR)	74.18
Exercise price (Amount in INR)	225.00
Expected volatility of share price (%)*	26.97% - 34.30%
Option Life (years)	0.46 to 2.46 years
Expected dividends yield (%)	-
Risk free interest rate (%)	6.79% to 7.10%

**The expected volatility was determined based on historical volatility data of comparable peers whose are shares are listed*

(iv) The total expense recognised for the period arising from MFL SAR 2018 amounted to INR 230.95 and the carrying amount for the corresponding liabilities as at March 31, 2023 amounted to INR 230.95

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(Rupees in lakhs, except for share data and unless otherwise stated)

45 Disclosure pursuant to RBI Notification - RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 Dated 13 March 2020 - A comparison between provisions required under Income recognition, asset classification and provisioning (IRACP) and impairment allowances as per Ind AS 109 'Financial instruments'

As at March 31, 2023

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowance (Provisions) as required under Ind AS 109	Net carrying amount	Provision required as per IRACP norms*	Difference between Ind AS 109 provision and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3) - (4)	(6)	(7) = (4) - (6)
(a) Performing Assets						
Standard	Stage 1	16,16,329.75	9,006.98	16,07,322.77	6,474.19	2,532.78
	Stage 2	1,08,016.61	507.60	1,07,509.01	432.07	75.54
Subtotal - Performing Assets		**17,24,346.36**	**9,514.58**	**17,14,831.78**	**6,906.26**	**2,608.32**
(b) Non-PerformingAssets (NPA)						
(i) Substandard	Stage 3	6,169.30	880.38	5,288.91	616.60	263.79
(ii) Doubtful up to:						
1 year	Stage 3	5,616.39	5,593.12	23.26	1,123.28	4,469.85
1 to 3 year	Stage 3	10,315.46	9,359.05	956.41	3,094.64	6,264.41
More than 3 years	Stage 3	10,443.88	6,491.05	3,952.83	5,221.94	1,269.11
Subtotal (ii)		**26,375.73**	**21,443.22**	**4,932.51**	**9,439.85**	**12,003.37**
(iii) Loss	Stage 3	4,616.11	4,616.11	-	4,616.11	-
Subtotal - NPA		**37,161.13**	**26,939.71**	**10,221.42**	**14,672.56**	**12,267.15**
Total	**Stage 1**	16,16,329.75	9,006.98	16,07,322.77	6,474.19	2,532.78
	Stage 2	1,08,016.61	507.60	1,07,509.01	432.07	75.54
	Stage 3	37,161.13	26,939.71	10,221.42	14,672.56	12,267.15
	Total	**17,61,507.49**	**36,454.29**	**17,25,053.20**	**21,578.82**	**14,875.47**

**Computed on the value as per the IRACP norms.*

As at March 31, 2022

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowance (Provisions) as required under Ind AS 109	Net carrying amount	Provision required as per IRACP norms*	Difference between Ind AS 109 provision and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3) - (4)	(6)	(7) = (4) - (6)
(a) Performing Assets						
Standard	Stage 1	15,65,191.55	7,187.86	15,58,003.69	6,262.73	925.13
	Stage 2	1,17,162.63	835.83	1,16,326.81	468.65	367.17
Subtotal - Performing Assets		**16,82,354.18**	**8,023.69**	**16,74,330.49**	**6,731.38**	**1,292.31**
(b) Non-PerformingAssets (NPA)						
(i) Substandard	Stage 3	21,789.26	3,339.05	18,450.21	2,172.38	1,166.67
(ii) Doubtful up to:						
1 year	Stage 3	8,119.30	4,902.87	3,216.42	1,623.86	3,279.01
1 to 3 year	Stage 3	4,045.13	2,592.46	1,452.67	1,213.54	1,378.92
More than 3 years	Stage 3	9,916.16	5,845.08	4,071.08	4,958.08	887.00
Subtotal (ii)		**22,080.59**	**13,340.41**	**8,740.18**	**7,795.48**	**5,544.93**
(iii) Loss	Stage 3	6,089.45	6,089.45	-	6,089.45	-
Subtotal - NPA		**49,959.29**	**22,768.90**	**27,190.39**	**16,057.30**	**6,711.60**
Total	**Stage 1**	15,65,191.55	7,187.86	15,58,003.69	6,262.73	925.13
	Stage 2	1,17,162.63	835.83	1,16,326.81	468.65	367.17
	Stage 3	49,959.29	22,768.90	27,190.39	16,057.30	6,711.60
	Total	**17,32,313.47**	**30,792.59**	**17,01,520.88**	**22,788.68**	**8,003.90**

**Computed on the value as per the IRACP norms.*

Disclosures as per RBI notification no. DOR.No.BP.BC.63/21.04.048/2019-20 dated 17th April 2020 - COVID19 Regulatory Package - Asset Classification and Provisioning:

The details of loans, where moratorium benefit was extended are as under:

Particulars	**2022-23**	**2021-22**
(i) Amount due in respect of overdue contracts where moratorium benefit was extended	-	-
(ii) Amount due on contracts where asset classification benefits was extended	-	378.88
(iii) Provision as per IRACP norms against (ii) cumulatively above up to June 2020	-	37.89
(iv) Provisions adjusted during the respective accounting periods against slippages and the residual provisions	-	134.62

46 Additional Disclosures as Required by the Reserve Bank of India

(i) Frauds

During the year there have been certain instances of fraud on the Company by officers and employees where gold loan related misappropriations / cash embezzlements / burglaries have occurred for amounts aggregating to an amount of INR 664.83 (March 31, 2022 - INR 614.08) of which the Company has recovered INR 39.74 (March 31, 2022 - INR 61.94). 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 value of frauds and burglaries (net of recovery), has been fully provided for.

(ii) The Company extends loans to its customers against security of gold not exceeding 75% of the value of gold. Value of gold for this purpose is taken from the rates published by the Association of Gold Loan Companies (AGLOC). AGLOC publishes the value of gold based on the immediately preceding 30 days average price of 22 Carrot Gold published by Bombay Bullion Association. The Company holds 48.01 tonnes of Gold as at March 31, 2023 (March 31, 2022 - 54.03 tonnes). The loan amount provided against security of gold works out to 63.28% of the value of gold as on 31st March 2023 (As at 31st March 2022 - 65.79%).

(iii) The Company's Percentage of Gold Loan to Total Assets is 70.79% as at 31st March 2023 (As at 31st March 2022 - 73.17%).

(iv) In accordance with the relevant circulars issued by the Reserve Bank of India with respect to Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances, the Company has restructured certain eligible MSME accounts.

Particulars	No. of accounts	Amount
FY 2022-23	0	-
FY 2021-22	1014	1,730.79

(v) The Company has neither transferred nor acquired any loans not in default / stressed loans to / from other entities during the years ended March 31, 2023 and March 31, 2022.

<This section has been intentionally left blank>

(Rupees in lakhs, except for share data and unless otherwise stated)

Note 46 contd.

(v) **Disclosures required as per Reserve Bank of India Circular No RBI/2019-20/88/DOR.NBFC (PD) CC. No. 102/03.10.001/2019-20 dated November 04, 2019**

(i) **Funding concentration based on significant counterparty (both deposits and borrowings):**

Particulars	No. of significant counterparties	Amount	% of Total Deposits	% of Total Liabilities*
As at March 31, 2023	17	11,89,567.73	N.A.	60.06%
As at March 31, 2022	16	10,84,415.84		55.74%

** Total Liabilities excludes Equity and Other Equity*

(ii) **Top 20 large deposits:**
The Company does not accept Deposits

(iii) **Top 10 borrowings:**

Particulars	Amount	% of Total Borrowings
As at March 31, 2023	9,96,442.96	55.91%
As at March 31, 2022	9,29,928.46	52.49%

(iv) **Funding concentration based on significant instrument / product:**

Particulars	As at March 31, 2023		As at March 31, 2022	
	Amount	% of Total Liabilities*	Amount	% of Total Liabilities*
Working Capital Demand Loan	7,46,415.46	37.69%	7,28,350.96	37.44%
Working Capital (Term) Loan	5,03,400.35	25.42%	4,25,216.06	21.86%
Secured NCD	3,04,642.97	15.38%	3,79,379.03	19.50%
Subordinated Debt	1,79,745.30	9.08%	2,00,107.40	10.29%
Perpetual Debt Instrument	48,113.39	2.43%	38,419.24	1.97%
Total	**17,82,317.46**	**89.99%**	**17,71,472.68**	**91.06%**

** Total Liabilities excludes Equity and Other Equity*

(v) **Stock Ratios:**

(i) Commercial papers as a % of total public funds, total liabilities and total assets:

Particulars	As at March 31, 2023	As at March 31, 2022
Total Public Funds	-	-
Total Liabilities	-	-
Total Assets	-	-

(ii) Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets:

Particulars	As at March 31, 2023	As at March 31, 2022
Total Public Funds	7.71%	8.07%
Total Liabilities	6.94%	7.35%
Total Assets	5.80%	6.24%

a) Public Funds include Debt Securities, Borrowings (other than debt securities) and Subordinated Liabilities
b) Total Liabilities excludes Equity and Other Equity

(iii) Other short-term liabilities, if any as a % of total public funds, total liabilities and total assets:

Particulars	As at March 31, 2023	As at March 31, 2022
Total Public Funds	61.35%	57.95%
Total Liabilities	55.21%	52.77%
Total Assets	46.14%	44.82%

a) Other Short Term Liabilities include all liabilities maturing within 12 months (excluding Commercial Paper & Non-Convertible Debentures)

(iv) Institutional set-up for liquidity risk management

The Asset - Liability Committee (ALCO) constituted by the Board is responsible for ensuring proper liquidity risk management and adherence to the limits set by the regulator and the Board as well as for deciding the business strategies of the company in line with the company's budget and decided risk management objectives. The ALCO consists of the Managing Director as Chairman of the Committee and includes the Executive Director & CFO, Chief Risk Officer, Head – Finance, Head - Treasury and Head-Internal Audit & Quality Assurance.

The ALM Support Groups are responsible for analysing, monitoring and reporting the risk profiles to the ALCO. The company also prepares forecasts / simulations showing the effects of various possible changes in market conditions on the Companys position and recommends action needed to adhere to limits prescribed by the regulator as well as Company's internal limits with regard to liquidity risks. The ALCO meets once every month or as and when required and reviews the position of liquidity and other market risks. Breaches or critical issues are put up to the risk management committee of the Board.

(vi) **Liquidity Coverage Ratio Disclosure**

Particulars	As at March 31, 2023		As at December 31, 2022	
	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
High Quality Liquid Assets				
Total High Quality Liquid Assets (HQLA)	94,783.42	94,783.42	1,36,339.34	1,36,339.34
Cash Outflows				
Deposits (for deposit taking companies)	-	-	-	-
Unsecured wholesale funding	5,438.02	6,253.72	4,026.91	4,630.95
Secured wholesale funding	32,809.71	37,731.17	24,575.84	28,262.22
Additional requirements, of which:				
Outflows related to derivative exposures and other collateral requirements	-	-	-	-
Outflows related to loss of funding on debt products	-	-	-	-
Credit and liquidity facilities	1,22,697.07	1,41,101.63	1,86,380.46	2,14,337.53
Other contractual funding obligations	12,085.16	13,897.93	7,917.69	9,105.34
Other contingent funding obligations	-	-	-	-
TOTAL CASH OUTFLOWS	**1,73,029.96**	**1,98,984.45**	**2,22,900.91**	**2,56,336.04**

Particulars	As at March 31, 2023		As at December 31, 2022	
	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
Cash Inflows				
Secured lending	1,53,836.33	1,15,377.25	89,823.67	67,367.75
Inflows from fully performing exposures	2,68,478.88	2,01,359.16	2,69,486.49	2,02,114.87
Other cash inflows	2,335.63	1,751.72	22,598.33	16,948.75
TOTAL CASH INFLOWS	**4,24,650.84**	**3,18,488.13**	**3,81,908.49**	**2,86,431.37**
TOTAL HQLA		**94,783.42**		**1,36,339.34**
TOTAL NET CASH OUTFLOWS (Weighted value of Total Cash Outflows - Minimum of (Weighted value of Total Cash Inflows, 75% of Weighted value of Total Cash Outflows)		**49,746.11**		**64,084.01**
LIQUIDITY COVERAGE RATIO (%)		**190.53%**		**212.75%**

Particulars	As at September 30, 2022		As at June 30, 2022	
	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
High Quality Liquid Assets				
Total High Quality Liquid Assets (HQLA)	1,45,780.58	1,45,780.58	1,34,239.24	1,34,239.24
Cash Outflows				
Deposits (for deposit taking companies)	-	-	-	-
Unsecured wholesale funding	3,210.60	3,692.19	2,116.81	2,434.33
Secured wholesale funding	48,363.96	55,618.55	7,485.70	8,608.55
Additional requirements, of which:				
Outflows related to derivative exposures and other collateral requirements	-	-	-	-
Outflows related to loss of funding on debt products	-	-	-	-
Credit and liquidity facilities	46,342.32	53,293.67	65,596.68	75,436.19
Other contractual funding obligations	11,773.42	13,539.43	9,109.60	10,476.04
Other contingent funding obligations	-	-	-	-
TOTAL CASH OUTFLOWS	**1,09,690.29**	**1,26,143.84**	**84,308.79**	**96,955.10**
Cash Inflows				
Secured lending	1,28,786.00	96,589.50	1,384.23	1,038.17
Inflows from fully performing exposures	2,51,395.29	1,88,546.47	2,30,907.14	1,73,180.36
Other cash inflows	9,513.33	7,135.00	-	-
TOTAL CASH INFLOWS	**3,89,694.62**	**2,92,270.97**	**2,32,291.37**	**1,74,218.53**
TOTAL HQLA		**1,45,780.58**		**1,34,239.24**
TOTAL NET CASH OUTFLOWS (Weighted value of Total Cash Outflows - Minimum of (Weighted value of Total Cash Inflows, 75% of Weighted value of Total Cash Outflows)		**31,535.96**		**24,238.78**
LIQUIDITY COVERAGE RATIO (%)		**462.27%**		**553.82%**

a) High Quality Liquid Assets consists of cash on hand and balances with banks in current accounts
b) Weighted Value is calculated at 115% of unweighted outflows and 75% of unweighted inflows

47 Disclosures under the Listing Agreement for Debt Securities

(i) Debenture Trustees:

Trustees for Public Issue
SBICAP Trustee Company Limited
Mistry Bhavan, 4th Floor, 122
Dinshaw Vachha Road,
Churchgate, Mumbai - 400020
Tel : 022-4302 5555
Fax : 022-22040465
Email : corporate@sbicaptrustee.com

Trustees for Perpetual Debt Instrument
Vistra ITCL (India) Limited (formerly IL&FS Trust Company Limited)
The IL&FS Financial Centre,
Plot C- 22, G Block,
Bandra Kurla Complex,
Bandra(E), Mumbai 400051
Tel +91 22 2659 3535
Fax +91 22 26533297
Email: mumbai@vistra.com

Trustees for Listed Private Placement & Public Issue
Catalyst Trusteeship Limited
GDA House, Plot No 85, Bhusari Colony (Right),
Paud Road, Pune – 411 038, Maharashtra
Office: +91 20 2528 0081
Fax: +91 20 2528 0275
Email: dt@ctltrustee.com

Trustees for Public Issue & Private Placement
Vardhman Trusteeship Private Limited
The Capital, 412 A. 4th Floor,
A-Wing, Bandra Kurla Complex
Bandra (East), Mumbai 400 051, Maharashtra
Tel: +91 22 4264 8335
E-mail: corporate@vardhmantrustee.com

(ii)Security:

1. Privately Placed Secured Debentures are secured by subservient charge on all current assets of the Company, both present and future.

2. Covered Bond issued by the Company in the nature of secured, redeemable, listed non-convertible debentures on a private placement basis is secured by way of first ranking pari passu charge by way of mortgage over, certain immovable property of the Company and is covered by receivables against a pool of gold loans originated by the Company amounting to a minimum cover of 1.10 / 1.15 / 1.20 times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon, Default Interest accrued thereon. (as more specifically disclosed in Note 17).

3. Debentures issued by way of public issue are secured by exclusive mortgage and first charge over certain immovable property of the Company and subservient charge with existing secured creditors, on loan receivables (both present and future) of the Company, to be held on pari passu basis among the present and / or future NCD holder (as more specifically disclosed in Note 17).

4. Listed Debentures privately placed under Targeted Long-Term Repo Operations (TLTRO) is secured by first pari-passu charge on the present and future current assets of the Company along with other lenders and NCD investors with a minimum asset coverage ratio of 1.10 times of the value of the outstanding principal amounts of the Debentures. (as more specifically disclosed in Note 17).

(iii) Utilisation of Funds raised by way of Public Issue of Debt Securities:

The Company has utilised the Net Proceeds raised by way of allotment of Public Issue of Debt Securities and other Listed Debt Securities, in accordance with the objects of such issue of debt securities. As at March 31, 2023, no portion of such allotted proceeds remain unutilized (March 31, 2022 - Nil).

(iv)Others:

Particulars	At 31st March 2023	At 31st March 2022
Loans & advances in the nature of loans to subsidiaries	Nil	Nil
Loans & advances in the nature of loans to associates	Nil	Nil
Loans & advances in the nature of loans where there is-		
(i) no repayment schedule or repayment beyond seven years	Nil	Nil
(ii) no interest or interest below section 186 of the Companies Act	Nil	Nil
Loans & advances in the nature of loans to other firms/companies in which directors are interested	-	-

48 There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund established under Section 125 of the Companies Act, 2013.

49 **Sustainability Initiatives to support the Environment**

The Company has 19 Wind Turbine Generators installed in Tamil Nadu having a combined power generation capacity of 23.225 Megawatt (March 31, 2022 - 23.225 Megawatt). During the year ended March 31, 2023, the said windmills generated 300.73 lakhs units of electrical energy (311.17 lakh units during the year ended March 31, 2022).

50 **Additional disclosures as per Schedule III of Companies Act, 2013**

(i) The Company does not have any immovable property whose title deeds are not held in the name of the Company.

(ii) The fair value of investment property measured for disclosure purposes in the financial statements is based on the valuation by an independent registered valuer.

(iii) The Company has not revalued its Property, Plant and Equipment or Right of Use Assets during the current or previous year.

(iv) The Company has not revalued Intangible Assets during the current or previous year.

(v) The Company has not given any loans or advances in the nature of loans that are a) repayable on demand or b) without specifying any terms or period of repayment; to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person during the current or previous year.

(vi) The Company does not have any Capital Work in Progress as at the end of the current or previous year.

(vii) The ageing schedule of Intangible Assets under development as at March 31, 2023 is as below (March 31, 2022: Nil):

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress	676.00	-	-	-	676.00
Projects temporarily suspended	-	-	-	-	-

(viii) The company does not hold any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder and no proceedings have been initiated or is pending against the company for the same.

(ix) The quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

(x) The Company has not made any default in repayment of its financial obligations and is not declared wilful defaulter by any bank or financial Institution or other lender.

(xi) The company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(xii) There are no charges or satisfaction to be registered with ROC beyond the statutory period.

(xiii) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(xiv) Capital to risk-weighted assets ratio, Tier I CRAR and Tier II CRAR has been disclosed in Note 40 and Liquidity Coverage Ratio in Note 46

(xv) The Company has not entered into any Scheme of Arrangements which requires the approval of the Competent Authority in terms of sections 230 to 237 of the Companies Act,2013 for the financial years ended March 31, 2023 and March 31, 2022.

(xvi) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(xvii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(xviii) The company does not have any transaction which is not recorded in the books of account but has been surrendered or disclosed as income during the year in tax assessments under the Income tax Act, 1961.

(xix) The Company has not traded or invested in Crypto currency or Virtual Currency during the current or previous financial year.

51 Previous year’s figures have been regrouped/rearranged, wherever necessary to conform to current year’s classifications / disclosure.

<This section has been intentionally left blank>

(Rupees in lakhs, except for share data and unless otherwise stated)

52. Details disclosed under the Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

Sr. no.	Particulars	Amount outstanding	Amount overdue
	LIABILITY SIDE		
1	**Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid**		
	a. Debentures		
	Secured	3,30,315.56	264.09
	Unsecured	-	-
	b. Deferred credits	-	-
	c. Term loans	5,03,659.48	-
	d. Inter-corporate loans and borrowings	-	-
	e. Commercial paper	-	-
	f. Public Deposits	-	-
	g. Other loans:		
	Working capital loans from banks	7,46,624.01	-
	Finance Lease Obligation	-	-
	Pass Through Certificate	-	-
	Loan against Deposits	-	-
	Loan from directors	-	-
	Perpetual Debt Instruments	48,119.37	-
	Subordinated Debts	2,01,997.20	4,564.59

Sr. no.	Particulars	Amount outstanding
	ASSET SIDE	
2	**Break-up of Loans and advances including bills receivables (Other than those included in (4) below)**	
	a. Secured	17,23,807.10
	b. Un-Secured	1,246.10
3	**Break-up of Leased Assets and stock on hire and other assets counting towards asset financing activities**	
	(i) Lease assets including lease rentals under sundry debtors:	
	(a) Financial Lease	-
	(b) Operating Lease	-
	(ii) Stock on hire including hire charges under sundry debtors	
	(a) Assets on hire	-
	(b) Repossessed Assets	-
	(iii) Other loans counting towards asset financing activities	
	(a) Loans where assets have been repossessed	-
	(b) Loans other than (a) above	-

Sr. no.	Particulars	Amount
4	**Break-up of Investments**	
	Current Investments	
	1. Quoted:	
	i. Shares	
	(a) Equity	1,690.38
	(b) Preference	-
	ii. Debentures and Bonds	-
	iii. Units of Mutual Funds	-
	iv. Government Securities	-
	v. Others	231.12
	2. Un-Quoted:	
	i. Shares	
	(a) Equity	-
	(b) Preference	-
	ii. Debentures and Bonds	-
	iii. Units of Mutual Funds	-
	iv. Government Securities	-
	v. Others	997.61
	Long Term Investments	
	1. Quoted:	
	i. Shares	
	(a) Equity	-
	(b) Preference	-
	ii. Debentures and Bonds	-
	iii. Units of Mutual Funds	-
	iv. Government Securities	-
	v. Others	-
	2. Un-Quoted:	
	i. Shares	
	(a) Equity	1,81,159.39
	(b) Preference	1,199.74
	ii. Debentures and Bonds	987.91
	iii. Units of Mutual Funds	-
	iv. Government Securities	-
	v. Others	405.36

5 Borrower group wise classification of assets financed as in (2) & (3) above

Category	Amount net of provisions		
	Secured	Unsecured	Total
1.Related Parties			
a. Subsidiaries	-	-	-
b. Companies in the same group	-	-	-
c. Other related parties	15,774.25	-	15,774.25
2.Other than related Parties	17,08,032.85	1,246.10	17,09,278.95
Total	**17,23,807.10**	**1,246.10**	**17,25,053.20**

6 **Investor group-wise classification of all investments (Current and Long term) in shares and securities (both quoted and unquoted);**

Category	Market value/Breakup or Fair value or NAV	Book Value (Net of Provisions)
1.Related Parties		
a. Subsidiaries	1,81,092.59	1,81,092.59
b. Companies in the same group	23.94	23.94
c. Other related parties	42.86	42.86
2.Other than related Parties	6,719.56	5,512.12
Total	**1,87,878.95**	**1,86,671.51**

7 **Other Information**

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related Parties	-
(b) Other than related parties	37,161.13
(ii) Net Non-Performing Assets	
(a) Related Parties	-
(b) Other than related parties	10,221.42
(iii) Assets Acquired in satisfaction of debt	-

Additional Disclosure requirements as per Master Direction DNBR. PD. 008/03.10.119/2016-17, September 01, 2016

1 **Capital Adequacy Ratio**

Particulars	As at 31st March 2023	As at 31st March 2022
CRAR (%)	21.34%	19.42%
CRAR – Tier I Capital (%)	16.48%	14.73%
CRAR – Tier II Capital (%)	4.86%	4.69%
Amount of subordinated debt raised as Tier-II capital (eligible amount, restricted to 50% of Tier-I capital)	73,053.28	75,948.24
Amount raised by issue of Perpetual Debt Instruments	48,113.39	38,419.24

The percentage of Tier I PDI to the Tier I Capital of the Company as at 31st March 2023 is 13.22% (31st March 2022 - 13.49%). PDI in excess of 15% of the previous year Tier I Capital has been considered under Tier II Capital.

2 **Investments**

Particulars	As at 31st March 2023	As at 31st March 2022
Value of Investments		
(i) Gross Value of Investments		
(a) In India	1,87,878.95	1,65,166.50
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	(1,207.44)	(1,207.44)
(b) Outside India	-	-
(iii) Net Value of Investments		
(a) In India	1,86,671.51	1,63,959.06
(b) Outside India	-	-

Particulars	As at 31st March 2023	As at 31st March 2022
Movement of provisions held towards depreciation of investments		
(i) Opening Balance	(1,207.44)	(1,207.44)
(ii) Add: Provisions made during the year	-	-
(iii) Less: Write off/write back of excess provisions during the year	-	-
(iv) Closing balance	(1,207.44)	(1,207.44)

3 **Derivatives**

The Company did not have any Derivative transaction during the year (March 31, 2023 : Nil).

4 **Securitisation**

The Company did not undertake any securitisation transactions during the year (March 31, 2023 : Nil).

5 **Asset Liability Management Maturity pattern of certain items of Assets & Liabilities**

March 31, 2023

Description	1 to 7 days	8 to 14 days	15 days to 30/31 days	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month & up to 6 month	Over 6 Month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Advances	1,91,926.79	16,734.66	41,575.25	1,04,093.49	1,36,409.60	6,01,793.91	5,79,151.52	16,723.45	1,571.06	35,073.47	17,25,053.20
Investments	-	-	1,921.50	-	-	-	997.61	168.86	-	1,83,583.53	1,86,671.51
Borrowings	1,63,067.75	22,366.13	77,420.09	54,715.62	1,24,614.44	1,56,601.03	5,71,358.62	3,89,436.82	1,16,609.70	1,06,127.25	17,82,317.46
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-

March 31, 2022

Description	1 to 7 days	8 to 14 days	15 days to 30/31 days	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month & up to 6 month	Over 6 Month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Advances	2,34,503.55	23,873.74	46,421.65	79,406.84	97,001.38	5,72,922.41	6,16,234.92	2,805.44	199.48	28,151.47	17,01,520.88
Investments	2,111.56	-	-	-	-	-	-	1,511.72	-	1,60,335.78	1,63,959.06
Borrowings	27,968.48	417.66	42,287.34	43,862.32	53,776.81	1,66,605.83	7,82,516.06	4,66,380.03	95,770.15	91,887.99	17,71,472.68
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-

6 **Exposures**

Exposure to Real Estate Sector

Category	As at 31st March 2023	As at 31st March 2022
a. Direct Exposure		
i. Residential Mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented (including non-fund based (NFB) limits)	37,590.47	6,790.06
ii. Commercial Real Estates		
Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction etc.) (including non-fund based (NFB) limits).	-	-
iii. Investments in Mortgage Backed Securities (MBS) and other securitized exposures		
a. Residential	-	-
b. Commercial Real Estate	-	-

Category	As at 31st March 2023	As at 31st March 2022
b. Indirect exposure		
(i) Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	16,986.37	16,986.37
(ii) Others	45,119.93	56,236.71
Total Exposure to Real Estate Sector	**99,696.77**	**80,013.14**

Exposure to Capital Market

Category	As at 31st March 2023	As at 31st March 2022
(i) direct Inv-equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	1,690.38	1,646.32
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for Inv-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) underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
(ix) Financing to stockbrokers for margin trading	-	-
(x) All exposures to Alternative Investment Funds:		
(i) Category I	-	-
(ii) Category II	168.86	514.24
(iii) Category III	-	-
Total Exposure to Capital Market	**1,859.24**	**2,160.56**

Sectoral Exposure

Sectors	As at 31st March 2023			As at 31st March 2022		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	-	-	0.00%	-	-	0.00%
2. Industry	-	-	0.00%	-	-	0.00%
3. Services	83,744.86	25,502.36	30.45%	56,488.75	28,201.01	49.92%
4. Personal Loans	16,77,762.63	11,658.77	0.69%	16,75,824.72	21,758.28	1.30%
5. Others Non Food credit (if any)	-	-	0.00%	-	-	0.00%

Intra Group Exposure

Particulars	March 31, 2023	March 31, 2022
Total amount of intra-group exposures	68,957.62	52,732.59
Total amount of top 20 intra-group exposures	68,957.62	52,732.59
Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	3.75%	2.94%

Unhedged foreign currency exposure

The company does not have any unhedged foreign currency exposure (Year ended March 31, 2022 : Nil)

7 **Related Party Disclosure**

Nature of relationship	Subsidiaries		Key Management Personnel		Relatives of Key Management Personnel		Entities in which KMP are able to exercise control or have significant influence		Total	
Particulars	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Outstanding at the end										
Borrowings	-	-	4,440.00	4,112.30	695.55	687.33	2,952.66	1,132.53	8,088.21	5,932.16
Deposits	-	-	-	-	-	-	-	-	-	-
Placement of deposits	-	-	-	-	-	-	-	-	-	-
Advances	-	-	15,000.00	19,900.00	-	-	-	-	15,000.00	19,900.00
Investments	49,740.45	26,515.45	-	-	-	-	217.00	217.00	49,957.45	26,732.45
Advance for Property/Shares	-	-	-	1,588.53	-	133.87	19,000.17	24,277.77	19,000.17	26,000.17
Others	127.79	92.85	776.24	65.14	6.44	54.22	3,084.02	1,040.53	3,994.49	1,252.73
Maximum outstanding at the end										
Borrowings	-	-	4,440.00	4,112.30	695.55	687.97	2,952.66	2,937.79	8,088.21	7,738.06
Deposits	-	-	-	-	-	-	-	-	-	-
Placement of deposits	-	-	-	-	-	-	-	-	-	-
Advances	-	-	19,900.00	19,900.00	-	-	-	290.00	19,900.00	20,190.00
Investments	49,740.45	26,515.45	-	-	-	-	217.00	217.00	49,957.45	26,732.45
Transactions during the period										
Sale of fixed/other assets	-	-	-	-	-	-	-	0.03	-	0.03
Interest paid	-	-	504.84	483.65	71.83	78.74	224.38	186.64	801.05	749.04
Interest received	-	-	1,964.98	2,388.00	-	-	44.49	29.66	2,009.47	2,417.66
Auction of Gold Ornaments	-	-	-	-	-	-	2,644.20	6,104.86	2,644.20	6,104.86
Commission Received	518.80	350.45	-	-	-	-	1,309.19	1,189.86	1,827.99	1,540.31
Professional & Consultancy Charges	1,635.60	1,562.94	-	-	-	-	2,095.44	2,104.14	3,731.04	3,667.07
Remuneration Paid	-	-	6,008.79	5,039.60	52.37	41.00	-	-	6,061.15	5,080.60
Loan repayments received	-	-	(19,900.00)	-	-	-	-	-290.00	(19,900.00)	(290.00)
Loans Advanced	-	-	15,000.00	-	-	-	-	-	15,000.00	-
ICD advanced	-	-	-	-	-	-	7,000.00	-	7,000.00	-
ICD repaid	-	-	-	-	-	-	(7,000.00)	-	(7,000.00)	-
Purchase of shares of MML	-	-	18,608.52	-	4,616.48	-	-	-	23,225.00	-
Refund received against advance for property	-	-	(1,588.53)	-	(133.87)	-	(5,277.60)	(3,000.00)	(7,000.00)	(3,000.00)
Dividend Paid	-	-	1,170.97	10,036.91	180.80	1,549.71	4.17	35.72	1,355.94	11,622.33
Others	140.44	176.89	927.08	619.84	(154.10)	(0.64)	1,492.23	1,343.99	2,405.65	2,140.08

8 Miscellaneous

Registration obtained from other financial sector regulators

The company has not obtained registrations from any other financial sector regulators during the year.

Disclosure of Penalties / Fines imposed by RBI and other regulators

No penalty was imposed on the Company during the year. However, a fine of INR 0.05 was imposed by BSE for non-compliance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Year ended March 31, 2022 : INR 0.47).

Policy on dealing with Related Party Transactions

The Related Party transactions are entered into complying with the relevant provisions of the Companies Act, 2013.

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

The Company's Long Term Credit Rating by CRISIL has been upgraded to CRISIL AA-/Stable from CRISIL A+/Stable in FY2022-23 as compared to FY2021-22. The Long Term Credit Rating by Brickwork too was upgraded to BWR AA-/Stable in FY2022-23 as against BWR A+(outlook stable) for FY2021-22. The latest debt-wise Rating of the Company are as below:

Type	Rating (2022-23)	Rating (2021-22)	Date of Rating
Short Term Rating	CRISIL A1+	CRISIL A1+	13/03/2023
	BWR A1+	BWR A1+	26/08/2022
Long Term Rating	CRISIL AA-/Stab	CRISIL A+/Stable	13/03/2023
Long Term Rating	BWR AA-/Stable	BWR A+ (outlook stable)	26/08/2022
Perpetual Debt Instruments	CRISIL A /Stable	CRISIL A- /Stable	13/03/2023
	BWR A+/Stable	BWR A/Stable	26/08/2022
Subordinate Debt	CRISIL AA- /Stable	CRISIL A+ /Stable	13/03/2023
	BWR AA- /Stable	BWR A+ /Stable	26/08/2022
Non-Convertible Debentures (NCD)	CRISIL AA-/Stab	CRISIL A+/Stabl	13/03/2023
	BWR AA-/Stable	BWR A+/Stable	26/08/2022
Covered Bond	N.A.	CRISIL AA+ (CE)/ Stable	N.A.
Market Linked Debentures	CRISIL PPMLD AA-/Stable	CRISIL PPMLD AA+/Stable	13.03.2023

Remuneration of Directors – Non-Executive Director

The Company has paid INR 600.00 to Mr. Thomas George Muthoot, Non-Executive Director of the Company during the year (March 31, 2022: INR 500). Remuneration (other than Sitting Fee) has not been paid to any of the other Non-Executive Directors.

Loans to Directors, Senior Officers and relatives of Directors

Particulars	March 31, 2023	March 31, 2022
Directors and their relatives	15,000.00	19,900.00
Entities associated with directors and their relatives	-	-
Senior Officers and their relatives	-	-

Draw down from Reserves

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

Breach of covenant

There have not been any instances of breach of covenants of loans availed or debt securities issued (Year ended March 31, 2022 : Nil)

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

The Company did not exceed the limits prescribed for single and group borrower during the current and previous year.

9 Provisions and Contingencies

Particulars	As at 31st March 2023	As at 31st March 2022
Break-up of Provision and contingencies in statement of profit and loss		
Provision towards NPA	4,170.81	5,748.11
Provisions for depreciation on Investment	-	-
Provision made towards current tax	17,609.54	13,719.62
Provision for Gratuity & Leave Encashment	124.88	733.03
Provision for Standard Assets	1,490.89	1,404.62

10 Additional Disclosures

10.1. Concentration of Advances

Particulars	As at 31st March 2023	As at 31st March 2022
Total Advances of twenty largest borrowers	28,540.47	34,046.06
Percentage of Advances of twenty largest borrowers to Total Advances of the NBFC	1.62%	1.97%

10.2. Concentration of Exposures

Particulars	As at 31st March 2023	As at 31st March 2022
Total Exposure of twenty largest borrowers / customers	29,321.50	34,123.19
Percentage of Exposure of twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	1.66%	1.97%

10.3. Concentration of NPA's

Particulars	As at 31st March 2023	As at 31st March 2022
Total Exposure to top four NPA accounts	9,340.08	9,413.05

10.4. Sector-wise NPA's

Particulars	As at 31st March 2023	As at 31st March 2022
1. Agriculture and Allied Activities	-	-
2. Industry	-	-
3. Services	25,502.36	28,201.01
4. Retail Loans	11,658.77	21,758.28
5. Others Non Food credit (if any)	-	-

10.5. Movement of NPA's

Particulars	As at 31st March 2023	As at 31st March 2022
(i) Net NPAs to Net Advances (%)	0.59%	1.59%
(ii) Movement of NPAs (Gross)		
Opening balance	49,959.29	35,958.45
Additions during the year	2,48,215.20	5,12,465.17
Reductions during the year	2,61,013.35	4,98,464.33
Closing balance	37,161.13	49,959.29
(iii) Movement of Net NPAs		
Opening balance	27,190.39	18,937.66
Additions during the year	68,273.27	2,78,909.65
Reductions during the year	85,242.24	2,70,656.92
Closing balance	10,221.42	27,190.39
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
Opening balance	22,768.90	17,020.78
Additions during the year	1,79,941.93	2,33,555.52
Write-off / write-back of excess provisions	1,75,771.12	2,27,807.41
Closing balance	26,939.71	22,768.90

10.6. Off-Balance Sheet SPV's sponsored and Overseas assets

There are no off-balance sheet SPVs sponsored as at end of current and previous year. The Company did not have any joint ventures or subsidiaries abroad.

10.7. Disclosure of Customer Complaints

Particulars	March 31, 2023	March 31, 2022
Complaints received by the NBFC from its customers		
1. Number of complaints pending at the beginning of the year	39	57
2. Number of complaints received during the year	11,148	9,250
3. Number of complaints disposed during the year	11,092	9,268
3.1. Of which, number of complaints rejected by the NBFC	*126*	*70*
4. Number of complaints pending at the end of the year	95	39

Particulars	March 31, 2023	March 31, 2022
Maintainable complaints received by the NBFC from Office of Ombudsman		
5. Number of maintainable complaints received by the NBFC from Office of Ombudsman	101	70
5.1. Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	101	69
5.2. Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	2	2
5.3. Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	1
6. Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
March 31, 2023					
Loans and advances related	16	2,856	391.00%	27	-
Online Collection related	5	2,321	-1.82%	18	-
Auction related	3	1,443	-31.90%	19	-
Process / charges related	5	818	19.94%	-	-
Service related	-	695	19.01%	8	-
Others	10	3,015	15.56%	23	-
Total	**39**	**11,148**	**20.52%**	**95**	**-**
March 31, 2022					
Application related	1	892	100.00%	-	-
Online Collection related	4	2,364	127.75%	5	-
Auction related	19	2,119	301.33%	3	-
Process / charges related	2	682	241.00%	5	1
Service related	13	584	141.32%	-	3
Others	18	2,609	-16.83%	26	4
Total	**57**	**9,250**	**79.79%**	**39**	**8**

Rangamani & Co	**Krishnan Retna & Associates**
Chartered Accountants,	**Chartered Accountants,**
Rose gardens,	**TC 37/1510-133,201,**
Near Iron Bridge,	**Nandini Garden, Fort PO,**
Alappuzha,	**Thiruvananthapuram,**
Kerala: 688011	**Kerala: 695023**

Independent Auditors' Report

To

THE MEMBERS OF MUTHOOT FINCORP LIMITED,

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying Consolidated Ind AS financial statements of Muthoot Fincorp Limited ("the Holding Company"), Muthoot Centre, Punnen Road, Thiruvananthapuram – 695 001 and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of changes in equity and the Consolidated Statement of cash flows for the year then ended, including the notes to the Consolidated Ind AS Financial Statements, a summary of significant accounting policies and other explanatory information. ["Consolidated Ind AS Financial Statements"]

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2022, their consolidated profit including other comprehensive income, their consolidated changes in equity and consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Ind AS 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 Ind AS Financial Statements under the provisions of the Act and the Rules 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 we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS financial statements. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the Key Audit matters to be communicated in our report

Key audit matters	How our audit addressed the key audit matter
a.) Completeness in identification and disclosure of related party transactions in accordance with the applicable reporting framework.	We have accessed the laid down systems and processes of the Group in identifying related party transactions and its ultimate disclosure in financial statements in accordance with the applicable reporting framework. We have designed the audit procedures in accordance with the guidelines prescribed in Standard on Auditing (SA 550) to identify the risks of material misstatement arising from an entity's failure to appropriately account for or disclose material related party

	transactions. We have also reviewed the minutes of meeting of the board in the course of audit to identify any transactions that may require disclosure in accordance with the applicable reporting framework.
b.) Accuracy, completeness and correctness of accounting and related controls maintained at the branch level of the Group.	At the Group's branch level, entries related to daily operations are passed. We have addressed this as a key audit matter since any control lapses in the branch level accounting may result in the financial accounting and reporting records of the Group being misstated. We have physically visited the Group's branches on a sample basis to identify and assess the effectiveness of the controls operating at the branch level. We have also tested on a sample basis the independent financial records maintained at the branch level and how the same is considered and incorporated in the financial statements. We have also assessed and analyzed the internal audit reports and how the major observations are dealt with and its impact on the Group's financial accounting and reporting records. Based on our sample review, no major weaknesses were identified.
c) Computation of provision towards impairment of loan assets As at March 31, 2022, the Group had reported total Impairment loss allowance of Rs. 55,542.43 lakhs (March 31, 2021 - Rs. 46,910.62 lakhs). A significant degree of judgment is required to determine the timing and amount of Impairment loss allowance to be recognized with respect to loans assets. Based on our risk assessment, the following are the significant judgements and estimates, that impact Impairment loss allowance: -Completeness and timing of recognition of default, in accordance with the prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to	The audit procedures performed, among others, included: - Considering the Group's policies and processes for NPA identification and provisioning and assessing compliance with the RBI norms. -Understanding, evaluating and testing the design and effectiveness of key controls around identification of impaired accounts by the Holding Company. -Performing other procedures including substantive audit procedures covering the identification of NPAs of the Holding Company such as: ● Reading account statements and related information of the borrowers on a

Loan assets; -Measurement of provision is dependent on the probability of default (PD) and loss given default (LGD) of each category of loan asset. Identification of PD and LGD involves significant judgements and estimates related to forward looking information.	sample basis. ● Performing inquiries with credit and risk departments to ascertain if there were indicators of stress or an occurrence of an event of default in a particular loan account or any product category which needed to be considered as NPA. ● Holding discussions with the management on sectors where there is perceived credit risk and the steps taken to mitigate the risks to identified sectors -Tested on sample basis the calculation performed by the management for Impairment loss allowance and the realizable value of assets provided as security against loans classified as nonperforming for computing the Impairment Loss Allowance. -Verifying if the Impairment Loss Allowance computed as per ECL norms satisfies the minimum provision requirement as per RBI regulations. -Read and assess the Group's policy with respect to moratorium pursuant to the relevant RBI circulars and tested the implementation of such policy on a sample basis. As a result of the above audit procedures no material differences were noted.
d.) Effectiveness of IT Systems and related controls.	Due to the automated controls and high degree of dependence in information systems, there is a risk that the financial accounting and reporting records may be misstated in case of any control lapses in the IT system related controls. We have designed our audit procedures in accordance with the guidelines laid down in the Standard on Auditing (SA 530) and tested the controls in the Information

	Technology Systems on a sample basis which has an impact on the financial accounting and reporting records. We have also tested on a sample basis the controls related to access management including user rights in passing entries, dual approval for authorizing entries, authorisation for reversing entries, segregation of duties, system password protection, external software/hardware access rights etc. Based on our sample review, no weakness was identified in the IT related systems and controls.

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 Annual Report but does not include the Consolidated Ind AS financial statements, Standalone Ind AS financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to this entity and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the Consolidated Ind AS 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 subsidiary companies, is traced from their financial statements audited by the other auditors.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and those charged with governance for the Consolidated Ind AS 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 Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. 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 of 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 Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group'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 the management either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS 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 Ind AS 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 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 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 Group'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 consolidated Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Consolidated Ind AS 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 subsidiaries included in the consolidated financial statements, which have been audited by other auditors, such other auditor shall 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 Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in planning the scope of our audit work and in evaluating the results of our work; and to evaluate the effect of any identified misstatements in the consolidated Ind AS financial statements.

We communicate with those charged with governance of the Holding Company 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 Ind AS 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 regulations 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 of the adverse consequences of doing so would be reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements/ financial information of the subsidiaries, whose financial statements reflect total assets of Rs.7,03,698.65 lakhs as at March 31, 2022, total revenues of Rs.105,236.15 lakhs and net cash flows amounting to Rs. 21,190.62 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amount and disclosures included in respect of this subsidiaries, and our report in terms of sub section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors,

Our opinion is not modified in respect of the above.

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 auditors on the separate financial statements/ financial information of the subsidiaries referred to in 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 consolidated Ind AS financial statements;

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditors;

    c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other Comprehensive Income), the Consolidated Statement of changes in equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

    d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued thereunder.

    e) On the basis of the written representations received from the Directors of the Holding Company as on 31st March, 2022 taken on record by the Board of Directors, and the reports of the statutory auditor of its subsidiaries, none of the directors of the Group Companies is disqualified as on 31st March, 2022 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 Group 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. 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 Auditors' 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, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;

ii. The Holding Company and its subsidiaries did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2022;

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 subsidiaries.

iv. (a) The respective Managements of the Company and its subsidiaries, which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries that, to the best of their knowledge and belief, no funds (which are material either individually and in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries, to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries, ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Company and its subsidiaries, which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries, that, to the best of their knowledge and belief, no funds (Which are material either individually or in aggregate) have been received by the Company or any of such subsidiaries, from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries, shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us on the Company and that performed by the auditors of the subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under subclause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

i) The Holding Company has paid dividend during the year which is in compliance with section 123 of the Act.

For Rangamani & Co., Chartered Accountants, ICAI FRN:003052S	For Krishnan Retna & Associates Chartered Accountants, ICAI FRN: 001536S
R. Krishnan (Partner) M.No.025927	R. Krishnan (Partner) M.No. 006051
UDIN: 22025927AJUBGB3875	UDIN: 22006051AJUCSF3522
Place: Alleppey Date: 28.05.2022	Place: Thiruvananthapuram Date: 28.05.2022

Annexure A to Independent Auditors' Report

Referred to in paragraph 1(f) under 'Report on other legal and regulatory requirements' of the Independent Auditors' Report of even date to the members of Muthoot Fincorp Limited on the Consolidated Ind AS Financial Statements as of and for the year ended March 31, 2022

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 March 31, 2022, we have audited the internal financial controls over financial reporting of Muthoot Fincorp Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, which includes internal financial controls over financial reporting of the Company and its subsidiaries.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, 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. These responsibilities include 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both issued by the ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 auditors of the subsidiary companies are sufficient and appropriate to provide a basis for our audit opinion on the Group'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 and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Holding Company and its subsidiary companies, 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 March 31, 2022, 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 the subsidiary companies are based solely on the corresponding reports of the auditors of such company.

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

For Rangamani & Co.,
Chartered Accountants,
ICAI FRN: 003052S

R. Krishnan
(Partner)
M.No.025927

UDIN: 22025927AJUBGB3875

Place: Alleppey
Date: 28.05.2022

For Krishnan Retna & Associates
Chartered Accountants,
ICAI FRN: 001536S

R. Krishnan
(Partner)
M.No. 006051

UDIN: 22006051AJUCSF3522

Place: Thiruvananthapuram
Date: 28.05.2022

Muthoot FinCorp Limited

Consolidated Balance Sheet as at 31st March 2022

(Amount in INR Lakhs, except share data and unless otherwise stated)

Particulars	Note	As at 31st March 2022	As at 31st March 2021
ASSETS			
Financial assets			
Cash and cash equivalents	5	3,15,233.84	98,979.83
Bank Balance other cash and cash equivalent	6	41,618.70	40,187.25
Receivables	7		
Trade Receivables		4,235.12	2,748.83
Loans	8	22,66,492.77	22,90,627.47
Investments	9	10,272.71	6,560.46
Other Financial assets	10	14,265.13	20,997.25
Non-financial Assets			
Current tax assets (Net)		7,197.66	1,977.60
Deferred tax asset (Net)	35	9,959.42	4,963.43
Investment Property	11	30,236.55	30,236.55
Property, Plant and Equipment	12	43,392.79	45,543.44
Intangible assets under development	13	-	114.45
Other Intangible assets	13	1,953.04	1,891.73
Right-of-use assets	14	66,258.57	50,836.70
Other non financial assets	15	31,117.68	32,789.27
Total assets		**28,42,233.98**	**26,28,454.27**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Payables	16		
(I) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises		6.41	2.47
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		337.28	270.03
(II) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises		79.03	45.85
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		5,679.47	2,101.21
Debt Securities	17	4,47,341.02	4,82,831.10
Borrowings (other than debt securities)	18	16,01,092.04	14,56,521.18
Lease Liability	14	74,233.11	55,998.56
Subordinated Liabilities	19	2,41,026.38	2,52,008.33
Other Financial liabilities	20	91,762.74	70,330.07
Non-financial Liabilities			
Current tax liabilities (net)		58.26	-
Provisions	21	1,190.56	2,726.20
Deferred tax liabilities (net)	35	3,995.14	233.57
Other non-financial liabilities	22	2,316.47	1,915.66
Equity			
Equity share capital	23	19,370.56	19,370.56
Other equity	24	2,99,408.97	2,47,562.54
Equity attributable to equity holders of the parent		3,18,779.53	2,66,933.09
Non-controlling interest		54,336.53	36,536.95
Total Equity		3,73,116.06	3,03,470.05
Total Liabilities and Equity		**28,42,233.98**	**26,28,454.27**

See accompanying notes to the Financial Statements 1 to 4

In terms of our joint report of even date attached

For Rangamani & Co.
Chartered Accountants
Firm Regn. No. 003052S

CA. Krishnan R
Partner
Membership No.025927
Place: Thiruvananthapuram

For Krishnan Retna & Associates
Chartered Accountants
Firm Regn. No. 001536S

CA. Krishnan R
Partner
Membership No.006051
Place: Thiruvananthapuram

For and on behalf of the Board of Directors,

Thomas John Muthoot
Managing Director
DIN: 00011618
Place: Trivandrum

Thomas George Muthoot
Director
DIN: 00011552
Place: Kochi

Thomas Muthoot
Executive Director and
Chief Financial Officer
DIN: 00082099
Place: Kochi

Date: May 28, 2022

Muthoot FinCorp Limited

Consolidated statement of Profit and Loss for the year ended 31st March 2022

(Amount in INR Lakhs, except share data and unless otherwise stated)

Particulars	Notes	For the year ended 31st March 2022	For the year ended 31st March 2021
Revenue from operations			
Interest income	25	4,07,859.45	3,77,880.19
Dividend income		17.44	22.57
Rental income		391.43	369.11
Fees and commission income		10,189.03	7,431.26
Net Gain on fair value changes	26	11,187.23	4,296.06
Net gain on derecognition of financial instruments under amortised cost category		37.53	14,552.26
Sale of service		86.36	25.15
Others	27	5,586.83	5,451.99
Total Revenue from operations		**4,35,355.30**	**4,10,028.57**
Other Income	28	158.05	90.79
Total Income (I + II)		**4,35,513.34**	**4,10,119.36**
Expenses			
Finance costs	29	2,07,407.01	2,06,163.78
Fees and commission expenses		1,443.78	770.81
Impairment on financial instruments	30	19,061.92	18,984.61
Employee benefits expenses	31	82,912.41	71,659.64
Depreciation, amortization and impairment	32	23,583.84	24,957.25
Other expenses	33	45,418.18	34,336.90
Total Expenses		**3,79,827.13**	**3,56,872.99**
Profit before tax (III- IV)		**55,686.22**	**53,246.37**
Tax Expense:			
(1) Current tax	36	16,820.60	17,865.05
(2) Deferred tax charge / (credit)	36	(2,389.50)	(4,310.54)
(3) MAT Credit Entitlement		-	(36.26)
Profit for the year (V-VI)		**41,255.11**	**39,728.13**
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit liabilities		18.34	(151.88)
Net gain / (loss) on equity instruments measured through other comprehensive income		(62.09)	962.59
(ii) Income tax relating to items that will not be reclassified to profit or loss		11.63	(202.60)
Subtotal (A)		(32.12)	608.11
(i) Items that will be reclassified to profit or loss			
Remeasurement of loan assets		4,491.27	(3,174.60)
(ii) Income tax relating to items that will be reclassified to profit or loss		(1,130.45)	799.15
Subtotal (B)		3,360.82	(2,375.45)
Other Comprehensive Income (A+B)		**3,328.70**	**(1,767.34)**
Total Comprehensive Income for the year (VII+VIII)		**44,583.81**	**37,960.78**
Profit for the year attributable to			
Equity holders of the parent		39,170.72	39,021.05
Non-controlling interest		2,084.40	707.08
Total Comprehensive income for the year, net of tax			
Equity holders of the parent		41,322.42	38,139.42
Non-controlling interest		3,261.40	(178.64)
Earnings per equity share	34		
Basic (INR)		20.22	20.14
Diluted (INR)		19.60	20.14

See accompanying notes to the financial statements 1 to 4

In terms of our joint report of even date attached

For Rangamani & Co.
Chartered Accountants
Firm Regn. No. 003052S

CA. Krishnan R
Partner
Membership No.025927
Place: Thiruvananthapuram

For Krishnan Retna & Associates
Chartered Accountants
Firm Regn. No. 001536S

CA. Krishnan R
Partner
Membership No.006051
Place: Thiruvananthapuram

For and on behalf of the Board of Directors,

Thomas John Muthoot
Managing Director
DIN: 00011618
Place: Trivandrum

Thomas George Muthoot
Director
DIN: 00011552
Place: Kochi

Thomas Muthoot
Executive Director &
Chief Financial Officer
DIN: 00082099
Place: Kochi

Date: May 28, 2022

Muthoot Fincorp Limited
Consolidated cash flow statement for the year ended 31st March 2022
(Amount in Rs. Lakhs, except share data and unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A. Cash flow from operating activities		
Profit before tax	**55,686.22**	**53,246.37**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation on Property, plant and equipment	6,574.74	7,735.76
Depreciation on Right of Use Assets	16,371.61	16,640.47
Depreciation on intangibles	637.49	581.05
Dividend Income	(17.44)	(22.57)
Unrealised fair value adjustments	120.71	(908.69)
Profit on sale of investment	(11,307.93)	(14,624.58)
Impairment of loan assets	8,575.75	3,895.18
Bad debts written off	10,486.17	15,085.19
Impairment on assets held for sale	138.38	42.68
Impairment on other receivables	-	4.22
Ind AS Adjustments for leases	(885.32)	(509.20)
Adjustment towards effective interest rate in respect of borrowings	(4,172.98)	(600.97)
Share based payments	119.23	111.04
Interest on lease liabilities	6,901.55	5,311.40
Operating Profit Before Working Capital Changes	**89,228.18**	**85,987.35**
Adjustments for Working capital changes:		
(Increase)/Decrease in trade receivables	(1,486.29)	1,124.73
(Increase) in Bank balances other than cash and cash equivalents	6,944.08	(13,713.50)
(Increase)/Decrease in loan assets	20,871.97	(5,45,453.10)
(Increase)/Decrease in other financial assets	2,664.11	223.58
(Increase)/Decrease in other non financial assets	1,533.21	(1,938.39)
Increase/(Decrease) in trade and other payables	3,682.63	(35,219.07)
Increase/(Decrease) in other financial liabilities	6,219.65	14,551.83
Increase/(Decrease) in other non financial liabilities	400.81	(2,191.57)
Increase/(Decrease) in provisions	(1,517.30)	25.99
Operating proft before tax	**1,28,541.06**	**(4,96,602.14)**
Taxes paid	(21,999.34)	(15,487.58)
Net cash used in operating activities	**1,06,541.72**	**(5,12,089.73)**
B. Cash flow from Investing activities		
Sale / Redemption of investments	720.54	3,840.76
Fresh investments made	(4,402.58)	(127.00)
Purchase of property, plant and equipment	(5,008.82)	(3,975.32)
Sale of property, plant and equipment	0.39	8.99
Sale of intangibles	-	2.95
Purchase of intangibles	-	(880.21)
Increase in fixed deposit	(4,307.52)	(10,917.78)
Dividend income	17.44	22.57
Net cash used in investing activities	**(12,980.55)**	**(12,025.05)**
C. Cash flow from Financing activities		
Redemption of debt securities	(35,218.61)	3,75,224.21
Funds borrowed	1,46,692.17	1,26,788.46
Decrease in subordinated liability	(9,201.75)	(10,780.60)
Payment of lease liability	(19,575.16)	(18,139.06)
Payment of dividend	(11,622.33)	-
Proceeds from issue of equity shares	0.01	-
Proceeds from Issue of compulsorily convertible preference shares	51,550.57	-
Proceeds from treasury shares	67.94	-
Net cash flows from financing activities	**1,22,692.84**	**4,73,093.02**
D Net increase in cash and cash equivalents	**2,16,254.01**	**(51,021.77)**
Net cash and Cash Equivalents at beginning of the year	98,979.83	1,50,001.60
Cash and cash equivalents at 31st March 2022 / 31st March 2021	**3,15,233.84**	**98,979.83**

See accompanying notes to the financial statements

In terms of our joint report of even date attached

For Rangamani & Co.
Chartered Accountants
Firm Regn. No. 003052S

CA. Krishnan R
Partner
Membership No.025927
Place: Thiruvananthapuram

For Krishnan Retna & Associates
Chartered Accountants
Firm Regn. No. 001536S

CA. Krishnan R
Partner
Membership No.006051
Place: Thiruvananthapuram

Date: May 28, 2022

For and on behalf of the Board of Directors,

Thomas John Muthoot
Managing Director
DIN: 00011618
Place: Trivandrum

Thomas George Muthoot
Director
DIN: 00011552
Place: Kochi

Thomas Muthoot
Executive Director and
Chief Financial Officer
DIN: 00082099
Place: Kochi

Muthoot FinCorp Limited
Consolidated statement of changes in equity for the year ended 31st March 2022
(Amount in INR Lakhs, except share data and unless otherwise stated)

A. Equity Share Capital
Equity shares of INR 10/- each issued, subscribed and fully paid

Particulars	No. of shares	Amount
Equity shares of INR 10 each issued, subscribed and fully paid		
As at April 1, 2020	**19,37,05,560.00**	**19,370.56**
Issued during the year	-	-
As at March 31, 2021	**19,37,05,560.00**	**19,370.56**
Issued during the year	-	-
As at March 31, 2022	**19,37,05,560.00**	**19,370.56**

B. Other Equity

Particulars	Reserves and Surplus							Other Comprehensive Income					
	Securities Premium Reserve	Statutory Reserve (Pursuant to Section 45-IC of the RBI Act 1934)	Statutory Reserve (Pursuant to Section 29C of the NHB Act 1987)	Retained Earnings	General Reserve	Treasury shares	Employee stock options outstanding	Equity Instruments through Other Comprehensive income	Acturial valuation of gratuity impact through Other Comprehensive Income	Loan assets through other comprehensive income	Total attributable to equity holders of the parent	Total non-controlling interest	Total
Balance as on 31st March 2020	**38,129.81**	**48,414.05**	**1,266.37**	**1,18,998.85**	**(1.58)**	**-**	**153.12**	**(2,241.97)**	**45.96**	**4,464.71**	**2,09,229.34**	**36,702.88**	**2,45,932.22**
Profit for the year	-	-	-	39,021.05	-	-	-	-	-	-	39,021.05	707.08	39,728.13
Other Comprehensive Income (net of taxes)	-	-	-	-	-	-	-	721.85	(92.42)	(1,511.05)	(881.62)	(885.72)	(1,767.34)
Changes during the year in employee stock options outstanding	-	-	-	-	-	-	76.24	-	-	-	76.24	-	76.24
Proceeds on transfer during the year	-	-	-	-	34.79	-	-	-	-	-	34.79	-	34.79
Transfer to Reserves u/s. 45-IC of RBI Act, 1934	-	7,531.92	-	(7,531.92)	-	-	-	-	-	-	-	-	-
Transfer to Reserves u/s. 29-C of NHB Act, 1987	-	-	402.19	(402.19)	-	-	-	-	-	-	-	-	-
Earlier years adjustments	0.04	-	-	95.41	-	-	-	-	-	-	95.45	-	95.45
Adjustments to NCI	-	-	-	(0.91)	(11.79)	-	-	-	-	-	(12.70)	12.71	0.00
Balance as on 31st March 2021	**38,129.85**	**55,945.97**	**1,668.56**	**1,50,180.30**	**21.42**	**-**	**229.36**	**(1,520.12)**	**(46.46)**	**2,953.67**	**2,47,562.54**	**36,536.95**	**2,84,099.49**
Profit for the year	-	-	-	39,170.72	-	-	-	-	-	-	39,170.72	2,084.40	41,255.11
Other Comprehensive Income (net of taxes)	-	-	-	-	-	-	-	(45.89)	59.73	2,137.86	2,151.70	1,177.00	3,328.70
Changes during the year in employee stock options outstanding	-	-	-	67.95	(12.49)	-	131.72	-	-	-	187.18	-	187.18
Proceeds on transfer during the year	-	-	-	-	64.70	-	(64.70)	-	-	-	-	-	-
Transfer to Reserves u/s. 45-IC of RBI Act, 1934	-	7,884.98	-	(7,884.98)	-	-	-	-	-	-	-	-	-
Transfer to Reserves u/s. 29-C of NHB Act, 1987	-	-	400.00	(400.00)	-	-	-	-	-	-	-	-	-
Dividend Paid	-	-	-	(11,622.33)	-	-	-	-	-	-	(11,622.33)	-	(11,622.33)
Provision for proposed dividend	-	-	-	(0.02)	-	-	-	-	-	-	(0.02)	-	(0.02)
Tax relating to prior years	-	-	-	(53.21)	-	-	-	-	-	-	(53.21)	-	(53.21)
Proceeds on on issue of Compulsorily Convertible Preference Shares	-	-	-	22,031.42	-	-	-	-	-	-	22,031.42	14,519.15	36,550.57
Adjustments to NCI	-	-	-	-	(19.03)	-	-	-	-	-	(19.03)	19.03	-
Balance as on 31st March 2022	**38,129.85**	**63,830.95**	**2,068.56**	**1,91,489.84**	**54.60**	**-**	**296.38**	**(1,566.01)**	**13.27**	**5,091.53**	**2,99,408.96**	**54,336.53**	**3,53,745.49**

See accompanying notes to the Financial Statements
In terms of our joint report of even date attached

For Rangamani & Co.
Chartered Accountants
Firm Regn. No. 003052S

CA. Krishnan R
Partner
Membership No.025927
Place: Thiruvananthapuram

For Krishnan Retna & Associates
Chartered Accountants
Firm Regn. No. 001536S

CA. Krishnan R
Partner
Membership No.006051
Place: Thiruvananthapuram

For and on behalf of the Board of Directors,

Thomas John Muthoot
Managing Director
DIN: 00011618
Place: Thiruvananthapuram

Thomas George Muthoot
Director
DIN: 00011552
Place: Kochi

Thomas Muthoot
Executive Director and
Chief Financial Officer
DIN: 00082099
Place: Kochi

Date: May 28, 2022

Muthoot FinCorp Limited
Notes forming part of consolidated financial statements

Significant Accounting Policies

1. Corporate Information

Muthoot FinCorp Limited, (the Company), is a Public Limited Company, incorporated on June 10, 1997 under the provisions of Companies Act, 1956. The Company is a Non-Deposit Accepting Non-Banking Financial Company (NBFC) registered with Reserve Bank of India (RBI) and is classified as a Non- Deposit Taking Systematically Important Loan Company (NDSI).

Muthoot FinCorp Limited, the flagship company of the 135-year-old Muthoot Pappachan Group, together with its subsidiaries (collectively, the Group), provides a diverse mix of retail offerings catering to the various needs of its customers and is primarily engaged in business of Gold Loans through its branch network across India. The Group also offers SME Loans, Forex Services, Money Transfer Services and Wealth Management Services to its customers in its strive to be the most trusted financial service provider. The Company is engaged in real estate business to a very limited extent. The Company's registered office is at Muthoot Centre, TC No.14/2074-7, Punnen Road, Thiruvananthapuram, Kerala, India. The Registration details of the Company are as follows:
Corporate Identity Number (CIN): U65929KL1997PLC011518
Reserve Bank of India Registration no.: N - 16.00170

The Company has 3 subsidiaries, Muthoot Housing Finance Company Limited (or "MHFCL" or "Muthoot Housing"), Muthoot Pappachan Technologies Limited (or "MPT") and Muthoot Microfin Limited (or "MML" or "Muthoot Microfin") (formerly known as Pancharatna Securities Limited), which are incorporated in India.

Muthoot Housing Finance Company Limited (MHFCL) is a public company domiciled in India and incorporated under provision of the Companies Act, 1956 having Corporate Identity Number (CIN) - U65922KL2010PLC025624, registered with the National Housing Bank ("NHB") under Section 29 A of the National Housing Bank Act, 1987 and primarily engaged in housing finance activities. The company was incorporated on 05th March 2010, and received the Certificate of Registration from the NHB on 11th February 2011, enabling the company to carry on business as a Housing Finance Company without accepting Public Deposits. The Company received its Certificate of Commencement of Business on 1st June 2011.

Muthoot Pappachan Technologies Private Limited (MPT) was initially registered as a Private Limited Company on 16th November 2012. Later, it was converted to Muthoot Pappachan Technologies Limited on 5th July 2013. Based in the Technopark campus at Thiruvananthapuram, the company provides Consulting-led Integrated portfolio of Information Technology (IT) and IT enabled services to its clients. The company in short, aims at providing Software Solution as Service to its customers.

Muthoot Microfin Limited (MML) was incorporated as a Private Limited Company in the year 1992 under the erstwhile Companies Act, 1956. Effective from 18 March 1998, the Company was registered as a non-deposit accepting Non-Banking Financial Company (NBFC-ND) under the rules and regulations framed by the Reserve Bank of India. The company has obtained registration under the category of Non-Banking Financial Company – Micro Finance Institutions (NBFC-MFI) w.e.f. 25 March 2015. The operations of the Company are based on the Grameen model of lending. It is designed to promote entrepreneurship among women and inclusive growth. The Company provides financial assistance through micro loans to women engaged in small income generating activities.

2. Basis of preparation

2.1 Statement of Compliance

The consolidated financial statements (CFS) 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) and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act, the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions') issued by RBI and National Housing Bank Guidelines/Regulations ('NHB directions') and notification for Implementation of Indian Accounting Standard vide circular RBI/2019-20/170 DOR(NBFC).CC.PD. No.109/22.10.106/2019-20 dated 13 March 2020 ('RBI Notification for Implementation of Ind AS') issued by RBI to the extent applicable.

The financial statements are prepared on a going concern basis, as the Management is satisfied that the Group shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption.

2.2 Presentation of financial Statements

The Group presents its Balance Sheet in order of liquidity. The Group prepares and presents its Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the format prescribed by Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 'Statement of Cash Flows'.

The Group generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only when Ind AS specifically permits the same or it has an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event. Similarly, the Group offsets incomes and expenses and reports the same on a net basis when permitted by Ind AS specifically unless they are material in nature.

2.3 Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Parent Company and all its subsidiaries, being the entities that it controls from the date control is gained. Control is evidenced where the investor 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. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity's returns. The financial statements of subsidiaries are prepared for the same reporting year as the Parent Company. Where necessary, adjustments are made to the financial statements of subsidiaries to align the accounting policies in line with accounting policies of the Parent Company.

These consolidated financial statements are prepared on the following basis in accordance with Ind AS 110 on "Consolidated Financial Statements" specified under Section 133 of the Act. Following subsidiary companies have been considered in the preparation of the consolidated financial statements:

Name of the Company	Country of incorporation	Consolidated as	% equity shareholding of MFL (Current Year)	% equity shareholding of MFL (Previous Year)
Muthoot Housing Finance Company Limited	India	Subsidiary	80.66%	80.66%
Muthoot Pappachan Technologies Limited	India	Subsidiary	60.00%	60.00%
Muthoot Microfin Limited	India	Subsidiary	63.61%	63.61%

i) **Subsidiaries**
Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which controls commences until the date on which control ceases.

ii) **Non-controlling interest ("NCI")**
NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iii) **Loss of control**

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other component of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in the statement of profit and loss.

iv) Transactions eliminated on consolidation

The financial statements of the Holding Company and its subsidiary used in the consolidation procedure are drawn up to the same reporting date i.e. March 31, 2022. The financial statements of the Holding Company and its subsidiary are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses. Intra-group balances and transactions, and unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment. The Group follows uniform accounting policies for like transactions and other events in similar circumstances. For additional information as required by Paragraph 2 of the General Instructions for preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013, refer Note 49.

2.4 Basis of measurement

The financial statements have been prepared on a historical cost basis, except for following assets and liabilities which have been measured at fair value:

i) Investments in equity instruments at fair value through other comprehensive income (FVOCI)
ii) Financial assets and liabilities designated at fair value through profit or loss (FVTPL)
iii) Financial assets measured at fair value through other comprehensive income (FVOCI)
iv) Investments which are held for trading
v) Defined benefit plans.

2.5 Functional and presentation currency

The financial statements are presented in Indian Rupees (INR) which is also functional currency of the Group and the currency of the primary economic environment in which the Group operates. All values are rounded to the nearest lakhs, except when otherwise indicated.

3. Significant accounting policies

3.1 Recognition of 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.

3.2 . Recognition of revenue from sale of goods and services

Revenue (other than for financial instruments) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

The Group recognises revenue from contracts with customers based on a five-step model as set out in Ind 115:

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

Revenue from contract with customer for rendering services is recognised at a point in time when performance obligation is satisfied.

3.2.1 Dividend income

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

3.2.2 Rental Income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in rental income in the statement of profit and loss, unless the increase is in line with expected general inflation, in which case lease income is recognised based on contractual terms.

3.2.3 Fees and commission income

Fees and commission income such as service charges, commission from fee-based business lines, service income etc. are recognised on point in time basis.

3.2.4 Miscellaneous Income

All other income is recognized on an accrual basis, when there is no uncertainty in the ultimate realization/collection.

3.3 Financial instruments

A. Financial Asset

3.3.1 Initial recognition

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Loans are recognised when funds are transferred to the customers' account. Investments are recognised on the date when the Company becomes party to the contractual provisions. The Group recognises debt securities, deposits and borrowings when funds reach the Group and post allotment, where applicable.

3.3.2 Initial and subsequent measurement of financial instruments

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

1. Debt instruments at amortised cost
2. Debt instruments at fair value through other comprehensive income (FVTOCI).
3. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL).
4. Equity instruments measured at fair value through other comprehensive income FVTOCI.

The classification depends on the contractual terms of the financial assets' cash flows and the Group's business model for managing financial assets which are explained below:

Business model assessment
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 Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed
- How managers of the business are compensated (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 sales are also important aspects of the Group's assessment.
- The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The SPPI test
As a second step of its classification process, the Group assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

In making this assessment, the 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.

3.3.3 Financial assets measured at amortised cost

A 'debt instrument' is measured at amortised cost if both the following conditions are met:

a. The financial asset is held within a business model with the objective to hold financial assets to collect contractual cash flows and

b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement at fair value plus directly attributable costs, these financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the profit or loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in statement of profit and loss.

3.3.4 Financial assets measured at fair value through other comprehensive income

A 'debt instrument' is measured at fair value through other comprehensive income if both the following conditions are met:

a. The financial asset is held within a business model with the objective to hold financial assets to collect contractual cash flows and selling the assets and

b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

Debt instruments included within the FVOCI category are measured at each reporting date at fair value with such changes being recognised in other comprehensive income (OCI). The interest income on these assets is recognised in profit or loss. 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 income statement.

3.3.5 Financial Instrument measured at fair value through profit or loss

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVOCI criteria may be designated as at FVTPL upon initial recognition, if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Group's investment is classified as FVTPL, if it is acquired or incurred principally for the purpose of 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.

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

3.3.6 Equity instruments

The Group subsequently measures investment in equity investments at fair value through profit or loss, unless the Group's management has elected to classify irrevocably some of its equity investments as equity instruments at FVOCI, when such instruments meet the definition of definition of Equity under Ind AS 32 *Financial Instruments*: *Presentation* and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments classified at FVOCI are never recycled to profit or loss. Dividends are recognised in profit or loss as dividend income when the right of the payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI.

B. Financial Liabilities

Initial recognition and measurement

All financial liabilities are initially recognised at fair value. Transaction cost that are directly attributable to the acquisition or the issue of financial liability, which are not at fair value through profit or loss, are adjusted to fair value at initial recognition.

Subsequent measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

3.4 Derecognition of financial assets and liabilities

3.4.1 Financial Asset

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Group has transferred the financial asset if, and only if, either:

a) The Group has transferred its contractual rights to receive cash flows from the financial asset

   or

b) It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement

Pass-through arrangements are transactions whereby the Group retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates

- The Group cannot sell or pledge the original asset other than as security to the eventual recipients
- The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Group has transferred substantially all the risks and rewards of the asset

  or

- The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

3.4.2 Financial Liability

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

3.5 Offsetting

Financial assets and financial liabilities are generally reported gross in the balance sheet. Financial assets and liabilities are offset, and the net amount is presented in the balance sheet when the Group has a legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously in all the following circumstances:

a. The normal course of business
b. The event of default
c. The event of insolvency or bankruptcy of the Group and/or its counter parties.

3.6 Impairment of financial assets

3.6.1 Overview of the Expected Credit Loss (ECL) principles

The Group has created provisions on all financial assets except for financial assets classified as FVTPL, based on the expected credit loss method. The Group also ensures maintaining the minimum provision requirement as per RBI and NHB regulations.

The ECL provision is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on financial assets that are possible within the 12 months after the reporting date.

The Group performs an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Group categorises its loans into three stages as described below:

For non-impaired financial instruments

- Stage 1 is comprised of all non-impaired financial instruments which have not experienced a significant increase in credit risk (SICR) since initial recognition. A 12-month ECL provision is made for stage 1 financial instruments. In assessing whether credit risk has increased significantly, the Group compares the risk of a default occurring on the financial instrument as at the reporting date, with the risk of a default occurring on the financial instrument as at the date of initial recognition.

- Stage 2 is comprised of all non-impaired financial instruments which have experienced a SICR since initial recognition. The Group recognises lifetime ECL for stage 2 financial instruments. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a SICR since initial recognition, then entities recognize 12 months of ECL.

For impaired financial instruments:

Financial instruments are classified as stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a loan or a portfolio of loans. The Group recognises lifetime ECL for impaired financial instruments.

3.6.2 The calculation of ECLs

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon.

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. PD is calculated using Incremental NPA approach considering fresh slippage using historical information.

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

Loss Given Default (LGD) – The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive.

Forward looking information

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

Write-offs

Loans are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when it is determined that the customer 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.

Collateral

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as gold, cash, securities, letters of credit/guarantees, stock, current asset etc. However, the fair value of collateral affects the calculation of ECLs. The fair value of the same is based on data provided by third party or management judgements.

Impairment of Trade receivables

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables.

3.7 Determination of fair value

The Group measures financial instruments, such as, investments at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability, or
ii. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, if market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which enough data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments − Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments − Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Group will classify the instruments as Level 3.

Level 3 financial instruments − Those that include one or more unobservable input that is significant to the measurement as whole.

3.8 Foreign Currency translation

Transactions in foreign currencies are initially recorded in the functional currency at the spot rate of ex-change ruling at the date of the transaction. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the spot rate of exchange at the reporting date. All differences arising on non–trading activities are taken to other income/expense 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.

3.9 Finance cost

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

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

3.10 Other income and expenses

All Other income and expense are recognized in the period they occur.

3.11 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, short-term deposits with an original maturity of three months or less and forex balances, which are subject to an insignificant risk of changes in value.

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

3.12 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.

3.13 Depreciation

Tangible assets are stated at historical cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is charged based on a review by the management during the year and at the rates derived based on the useful lives of the assets as specified in Schedule II of the Companies Act, 2013 or estimated useful lives estimated by the respective management based on technical evaluation. The holding company and one of its subsidiaries, Muthoot Microfin Limited follow the Straight Line Method for providing depreciation whereas the two other subsidiaries follow Written Down Value Method.

Leasehold improvements and assets held under finance leases are depreciated over the shorter of lease term or their useful life. 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.

3.14 Capital work-in-progress

Capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses. Assets which are not ready for intended use are also shown under capital work-in-progress.

3.15 Intangible assets

The Group's intangible assets consist of computer software.

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.

Intangible assets are amortised by the Group over a period of 3 years, except in case of Muthoot Pappachan Technologies Limited where the computer software is amortised over a period of 10 years or over the estimated useful lives.

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.

3.16 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. Subsequent expenditure is capitalized to the assets carrying amount only when it is probable that the future economic benefit associated with the expenditure will flow to the company.

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.

3.17 Impairment of non-financial assets

The Groups assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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 the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.18 Post-employment benefits

3.18.1 Defined contribution schemes

Contributions to the Employees Provident Fund Scheme maintained by the Central Government, Employee State Insurance Corporation (ESIC) etc. are accounted for on an accrual basis. Retirement benefit in the form of provident fund is a defined contribution scheme.

The Group has no obligation, other than the contribution payable under the schemes. The Group recognizes contribution payable to the provident fund scheme / ESIC as expenditure, when an employee renders the related service. If the contribution payable to the scheme / ESIC for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized 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 recognized as an asset.

3.18.2 Defined Benefit schemes

Gratuity

The Group provides for gratuity covering eligible employees under which a lump sum payment is paid to vested employees at retirement, death, incapacitation or termination of employment, of an amount reckoned on the respective employee's salary and his tenor of employment with the Group. The Group accounts for its liability for future gratuity benefits based on actuarial valuation determined at each Balance Sheet date by an Independent Actuary using Projected Unit Credit Method. The Group makes contributions to a Gratuity Fund administered by the Life Insurance Corporation of India.

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

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

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

3.19 Share Based Payments

The Group has formulated an Employees Stock Option Scheme to be administered through respective Trusts for its subsidiaries MML and MHFCL. The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in other equity. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the estimates of the number of options that are expected to vest based on the non-market vesting and service conditions are revised. It recognises the impact of the revision to original estimates, if any, in Statement of Profit and Loss, with a corresponding adjustment to equity.

3.20 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.

3.21 Assets held for sale

Assets possessed against the settlement of loans are carried in the balance sheet at a value of outstanding principal loan amount or fair value of asset whichever is lower. In case the fair value of the asset acquired is lower than the outstanding principal loan amount; then the shortfall is to be provided for in the books of account in such financial year.

These assets are classified as 'Assets held for sale' under 'Non-financial assets' till the asset acquired is finally disposed. The outstanding overdue interest and other charges will be accounted on realization basis.

Further, if on disposal of the assets so acquired, the sale proceed is higher than the receivable amount (including outstanding loan, outstanding overdue interest, other charges and interest), then the Company will refund the excess amount to the borrowers.

3.22 Taxes

Income tax expense represents the sum of current tax and deferred tax.

3.21.1 Current Tax

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible in accordance with applicable tax laws.

Interest income / expenses and penalties, if any, related to income tax are included in current tax expense. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the end of reporting date in India where the Group operates and generates taxable income.

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

3.22.2 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.

3.22.3 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.

3.23 Contingent Liabilities and assets

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

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

3.24 Earnings 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 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.

3.25 Dividends on ordinary shares

The Group recognises a liability to make distributions to equity holders of the Group when the distribution is authorised, and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

3.26 Leases

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.

Group as a lessee
The Groups lease asset class consists of building, equipment and vehicles. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group has, at the date of transition, recognized a right-of use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term lease) and low value assets. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are recognized at cost, which comprises the present value of the lease liability as at the date of transition. Right-of-use assets are depreciated on a straight-line basis over the shorter of the balance lease term and useful life of the underlying asset. The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit on the lease or, if not readily determinable, using the incremental borrowing rates. Interest accrued on lease liability and lease payments made, are subsequently adjusted to the initial recognition of lease liability.

Group as a lessor
Leases where the Group does not transfer substantially all the risks and benefits incidental to ownership of the leased items are operating leases. Rental Income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in rental income in the statement of profit and loss.

3.27 Cash flow statement

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Group are segregated.

4. 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:

4.1 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 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.

4.2 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 at each reporting date.

4.3 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.

4.4 Impairment of financial assets

The measurement of impairment losses across all categories of financial assets requires judgement 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 several 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.

4.5 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 lifecycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

4.6 Lease Term

- The determination of lease term for some lease contracts in which the Company is a lessee, including whether the Company is reasonably certain to exercise lessee options.
- The determination of the incremental borrowing rate used to measure lease liabilities.

4.7 Share based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

4.8 Other estimates

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

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(Amount in INR Lakhs, except share data and unless otherwise stated)

5 Cash and cash equivalents

Particulars	As at 31st March 2022	As at 31st March 2021
Cash on hand	9,404.61	10,271.73
Balances with Banks		
- in current accounts	2,03,411.92	60,065.17
- in deposit accounts having original maturity less than three months	1,01,884.07	28,229.74
Others		
-Forex Balance	59.94	40.40
-Balance with cash collection agents	473.30	372.80
Total	**3,15,233.84**	**98,979.83**

6 Bank Balance other than cash and cash equilvalents

Particulars	As at 31st March 2022	As at 31st March 2021
Deposit with original maturity for more than three months but less than twelve months	34,849.28	26,473.75
Balance with Banks in escrow accounts	6,769.42	13,713.50
Total	**41,618.70**	**40,187.25**

7 Receivables

Particulars	As at 31st March 2022	As at 31st March 2021
(I) Trade Receivables		
Receivables considered good - Unsecured		
Receivables from Money Transfer business	847.35	921.73
Wind Mill income receivable	1,748.85	891.46
Other Trade Receivables	1,638.92	935.64
Sub-Total	**4,235.12**	**2,748.83**
Less: Allowances for Impairment Loss	-	-
Total Net receivable	**4,235.12**	**2,748.83**

Trade receivables are non-interest bearing and are short-term in nature. These consist of receivable from Government and other parties, and does not involve any credit risk.

Ageing Schedule of Trade Receivables (At at 31st March,2022)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables- considered good	2,458.20	687.43	1,084.40	-	-	4,230.04
(ii) Undisputed Trade Receivables- which have signficant increase in credit risk	-	-	5.08	-	-	5.08
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-
(iv)Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have signficant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-

Ageing Schedule of Trade Receivables (At at 31st March,2021)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables- considered good	1,946.44	702.75	99.64	0.01	-	2,748.83
(ii) Undisputed Trade Receivables- which have signficant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-
(iv)Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have signficant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-

8 Loans

Particulars	As at 31st March 2022	As at 31st March 2021
Loans (at amortised cost)		
(A)		
Retail Loans	19,47,943.53	20,83,098.20
High Value Loans	34,191.91	34,871.61
Staff Loan	99.57	212.85
Housing loans & other loans	1,27,747.49	1,18,142.31
Total (A) - Gross	**21,09,982.50**	**22,36,324.97**
Less: Impairment loss allowance	(50,383.79)	(44,043.51)
Total (A) - Net	**20,59,598.71**	**21,92,281.46**
(B)		
Secured loans	18,61,489.85	19,86,460.37
Unsecured Loans	2,48,492.65	2,49,864.60
Total (B) - Gross	**21,09,982.50**	**22,36,324.97**
Less : Impairment loss allowance	(50,383.79)	(44,043.51)
Total (B) - Net	**20,59,598.71**	**21,92,281.46**
(C) Loans in India		
i) Public Sector	-	-
ii) Others	21,09,982.50	22,36,324.97
Total (C) Gross	**21,09,982.50**	**22,36,324.97**
Less: Impairment Loss Allowance	(50,383.79)	(44,043.51)
Total (C) Net	**20,59,598.71**	**21,92,281.46**
Loans (at FVOCI)		
(A)		
Other Loans	2,12,052.70	1,01,213.11
Total (A) - Gross	**2,12,052.70**	**1,01,213.11**
Less: Impairment loss allowance	(5,158.64)	(2,867.11)
Total (A) - Net	**2,06,894.06**	**98,346.00**
(B)		
Secured loans	-	-
Unsecured Loans	2,12,052.70	1,01,213.11
Total (B) - Gross	**2,12,052.70**	**1,01,213.11**
Less : Impairment loss allowance	(5,158.64)	(2,867.11)
Total (B) - Net	**2,06,894.06**	**98,346.00**

(C) Loans in India		
i) Public Sector	-	-
ii) Others	2,12,052.70	1,01,213.11
Total (C) Gross	**2,12,052.70**	**1,01,213.11**
Less: Impairment Loss Allowance	(5,158.64)	(2,867.11)
Total (C) Net	**2,06,894.06**	**98,346.00**
Total Loans (Net)	**22,66,492.77**	**22,90,627.47**

The Group undertakes co-lending arrangements with banks for Gold loans. A total disbursement of INR 4,91,842.74 (31st March, 2021 - INR 65,341.58) was undertaken during the year under the Co-lending mechanism. As at 31st March, 2022, the total managed assets under the Co-lending mechanism amounted to INR 1,36,210.74 (INR 60,696.85 as at 31st March, 2021).

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(Amount in INR Lakhs, except share data and unless otherwise stated)

Note 8 continued

Disclosures on Credit quality and analysis of ECL allowance of the company and its subsidiaries

Muthoot FinCorp Limited
The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 43 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 43

Particulars	As at 31st March 2022				As at 31st March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
High grade	14,64,411.42	-	-	14,64,411.42	14,53,498.37	-	-	14,53,498.37
Standard grade	1,00,780.13	-	-	1,00,780.13	1,83,709.62	-	-	1,83,709.62
Sub-standard grade	-	69,190.90	-	69,190.90	-	1,70,138.15	-	1,70,138.15
Past due but not impaired	-	47,971.74	-	47,971.74	-	25,633.41	-	25,633.41
Non- performing								-
Individually impaired	-	-	49,959.29	49,959.29	-	-	35,958.45	35,958.45
Total	**15,65,191.55**	**1,17,162.63**	**49,959.29**	**17,32,313.47**	**16,37,207.99**	**1,95,771.56**	**35,958.45**	**18,68,937.99**

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

Particulars	As at 31st March 2022				As at 31st March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	16,37,207.99	1,95,771.56	35,958.45	18,68,937.99	13,67,509.82	20,242.61	26,260.47	14,14,012.90
New assets originated or purchased	40,89,066.60	-	-	40,89,066.60	38,34,347.65	-	-	38,34,347.65
Assets derecognised or repaid (excluding write offs)	(30,54,553.21)	(6,72,673.57)	(4,98,464.33)	(42,25,691.12)	(29,26,077.61)	(3,33,204.23)	(1,16,527.82)	(33,75,809.65)
Assets written off during the period	-	-	-	-	-	-	(3,612.90)	(3,612.90)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	(6,99,565.86)	6,99,565.86	-	-	(5,09,699.88)	5,09,699.88	-	-
Transfers to Stage 3	(4,06,963.97)	(1,05,501.21)	5,12,465.17	-	(1,28,871.99)	(966.71)	1,29,838.69	-
Gross carrying amount closing balance	**15,65,191.55**	**1,17,162.63**	**49,959.29**	**17,32,313.47**	**16,37,207.99**	**1,95,771.56**	**35,958.45**	**18,68,937.99**

Reconciliation of ECL balance is given below:

Particulars	As at 31st March 2022				As at 31st March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	5,921.14	697.92	17,020.78	23,639.85	4,385.50	134.16	17,691.18	22,210.84
New assets originated or purchased	18,778.31	-	-	18,778.31	13,867.08	-	-	13,867.08
Assets derecognised or repaid (excluding write offs)	(12,430.05)	(4,100.09)	(2,27,807.41)	(2,44,337.55)	(10,022.02)	(1,249.86)	(58,516.11)	(69,787.99)
Assets written off during the period	-	-	-	-	-	-	(3,612.90)	(3,612.90)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	(3,212.63)	3,212.63		-	(1,843.35)	1,843.35	-	-
Transfers to Stage 3	(1,868.91)	(752.63)	2,621.54	-	(466.07)	(3.45)	469.52	-
Impact on year end ECLs of exposures transferred between stages during the year	-	1,777.99	2,30,933.98	2,32,711.97	-	(26.28)	60,989.10	60,962.82
ECL allowance - closing balance	**7,187.86**	**835.83**	**22,768.90**	**30,792.59**	**5,921.14**	**697.92**	**17,020.78**	**23,639.85**

Muthoot Microfin Limited
The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 43 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 43

Particulars	As at 31st March 2022				As at 31st March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
High grade	-	-	-	-	-	-	-	-
Standard grade	4,06,650.15	26,422.34	-	4,33,072.49	3,08,901.72	15,665.15	-	**3,24,566.88**
Sub-standard grade	-	-	28,900.12	28,900.12	-	-	25,890.90	**25,890.90**
Past due but not impaired	-	-	-	-	-	-	-	-
Non- performing								
Individually impaired	-	-	-	-	-	-	-	-
Total	**4,06,650.15**	**26,422.34**	**28,900.12**	**4,61,972.61**	**3,08,901.72**	**15,665.15**	**25,890.90**	**3,50,457.78**

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

Particulars	As at 31st March 2022				As at 31st March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	3,08,901.72	15,665.15	25,890.90	**3,50,457.78**	2,51,339.45	3,134.70	20,790.40	**2,75,264.55**
New assets originated or purchased	4,57,962.95	2,380.36	544.48	**4,60,887.78**	2,64,156.66	688.93	119.93	**2,64,965.52**
Assets derecognised or repaid (excluding write offs)	(3,33,089.67)	(6,684.94)	(6,711.75)	**(3,46,486.37)**	(1,73,186.99)	(635.48)	(2,942.11)	**(1,76,764.57)**
Transfers to Stage 1	4,660.61	(4,615.10)	(45.51)	**-**	67.83	(66.93)	(0.90)	**-**
Transfers to Stage 2	(25,669.64)	25,708.37	(38.73)	**-**	(15,470.27)	15,475.76	(5.48)	**-**
Transfers to Stage 3	(10,607.15)	(6,031.50)	16,638.65	**-**	(14,828.16)	(2,931.83)	17,759.99	**-**
Impact of exposures transferred between stages during the year	-	-	0.04	**0.04**				
Amounts written off	-	-	(7,377.95)	**(7,377.95)**	-	-	(9,830.92)	**(9,830.92)**
Change in fair value of loan assets	4,491.33	-	-	**4,491.33**	(3,176.80)	-	-	**(3,176.80)**
Gross carrying amount closing balance	**4,06,650.15**	**26,422.34**	**28,900.12**	**4,61,972.61**	**3,08,901.72**	**15,665.15**	**25,890.90**	**3,50,457.78**

Reconciliation of ECL balance is given below:

Particulars	As at 31st March 2022				As at 31st March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance*	5,513.91	312.74	15,085.44	**20,912.10**	5,760.31	71.20	7,379.20	**13,210.71**
New assets originated or purchased	4,527.37	31.04	166.55	**4,724.97**	3,736.45	16.03	15.10	**3,767.59**
Assets derecognised or repaid (excluding write offs)	(2,061.72)	(0.11)	(1,323.44)	**(3,385.27)**	(2,312.65)	(76.31)	(284.17)	**(2,673.12)**
Transfers to Stage 1	88.66	(77.79)	(10.87)	**-**	2.85	(2.26)	(0.60)	**-**
Transfers to Stage 2	(469.11)	477.07	(7.97)	**-**	(348.91)	353.22	(4.31)	**-**
Transfers to Stage 3	(179.34)	(156.40)	335.74	**-**	(336.93)	(51.65)	388.58	**-**
Impact on year end ECLs of exposures transferred between stages during the year	(53.65)	(205.39)	4,015.37	**3,756.33**	(1.84)	3.46	6,376.99	**6,378.61**
Changes to models and inputs using ECL calculation'	(1,556.72)	9.63	992.98	**(554.12)**	(985.37)	(0.96)	851.14	**(135.19)**
Amounts written off	-	-	(3,509.45)	**(3,509.45)**	-	-	(3,364.80)	**(3,364.80)**
Additional credit loss provision made by management	-	-	132.86	**132.86**	-	-	3,728.30	**3,728.30**
ECL allowance - closing balance	**5,809.40**	**390.80**	**15,877.23**	**22,077.42**	**5,513.91**	**312.74**	**15,085.44**	**20,912.10**

** Excludes Additional credit loss provision made by management*

Muthoot Housing Finance Company Limited

The table below shows the credit quality and the maximum exposure to credit risk based on the Company’s internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company’s internal grading system are explained in Note 43 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 43

Particulars	As at 31st March 2022				As at 31st March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
High grade	1,04,399.79	-	-	**1,04,399.79**	99,922.23	-	-	**99,922.23**
Standard grade	7,091.43	-	-	**7,091.43**	6,768.68	-	-	**6,768.68**
Sub-standard grade	-	4,998.08	-	**4,998.08**	-	3,226.30	-	**3,226.30**
Past due but not impaired	-	5,500.03	-	**5,500.03**	-	3,564.68	-	**3,564.68**
Non- performing								
Individually impaired	-	-	5,758.16	**5,758.16**	-	-	4,660.43	**4,660.43**
Total	**1,11,491.22**	**10,498.11**	**5,758.16**	**1,27,747.49**	**1,06,690.91**	**6,790.98**	**4,660.43**	**1,18,142.31**

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

Particulars	As at 31st March 2022				As at 31st March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	1,08,232.40	6,667.40	4,113.34	**1,19,013.13**	96,780.44	9,080.57	2,991.04	**1,08,852.05**
New assets originated or purchased	27,475.82	5.35	-	**27,481.17**	20,870.53	-	-	**20,870.53**
Assets derecognised or repaid (excluding write offs)	(14,841.19)	(1,445.96)	-	**(16,287.15)**	(9,091.16)	(582.37)	(1,035.91)	**(10,709.44)**
Transfers to Stage 1	(5,062.02)	6,770.44	(1,708.42)	-	(327.40)	327.40	-	-
Transfers to Stage 2	(6,770.44)	5,805.88	964.56	-	(327.40)	(1,830.80)	2,158.21	-
Transfers to Stage 3	(964.56)	(1,699.18)	2,663.74	-	-	(2,158.21)	2,158.21	-
Impact of exposures transferred between stages during the year	5,062.02	(5,805.88)	(964.57)	**(1,708.43)**	327.40	1,830.80	(2,158.21)	-
Gross carrying amount closing balance	**1,13,132.03**	**10,298.05**	**5,068.65**	**1,28,498.73**	**1,08,232.40**	**6,667.40**	**4,113.34**	**1,19,013.13**

Reconciliation of ECL balance is given below:

Particulars	As at 31st March 2022				As at 31st March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	372.91	304.69	1,681.06	**2,358.67**	327.13	410.41	1,180.75	**1,918.29**
New assets originated or purchased	31.98	234.28	764.65	**1,030.91**	(123.91)	147.57	931.64	**955.29**
Assets derecognised or repaid (excluding write offs)	(37.51)	(38.95)	(640.69)	**(717.16)**	(27.46)	(29.07)	(458.38)	**(514.91)**
Transfers to Stage 1	43.75	(9.74)	(34.01)	-	197.15	(197.15)	-	-
Transfers to Stage 2	9.74	(59.08)	49.34	-	197.15	(224.21)	27.06	-
Transfers to Stage 3	34.01	(49.34)	15.34	-	-	(27.06)	27.06	-
Impact on year end ECLs of exposures transferred between stages during the year	(43.75)	59.08	(15.34)	-	(197.15)	224.21	(27.06)	-
ECL allowance - closing balance	**411.12**	**440.95**	**1,820.36**	**2,672.42**	**372.91**	**304.69**	**1,681.06**	**2,358.67**

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Transferred financial assets that are derecognised in their entirety but where the Group has continuing involvement

The Group has sold some loans and advances as a source of finance. As per terms of the deal, risk and reward has been transferred to the customer. Hence, as per the derecognition criteria of IND AS 109, including transfer of substantially all risks and rewards relating to assets being transferred to the buyer being met, the assets have been derecognised. The table below summarises the carrying amount of the derecognised financial assets.

Under previous GAAP, retained interest receivable on loan assignment transactions were recognised over the period of such assigned loans. Under Ind AS, the gain arising on said transactions are recorded upfront by discounting the future cash flows accruing in the form of differential interest on such assigned loan to their present values.

Particulars	As at 31st March 2022	As at 31st March 2021
Carrying amount of derecognised financial assets	1,67,158.19	1,50,664.53
Gain/(loss) from derecognition	11,345.46	18,825.54

Transferred financial assets that are not derecognised in their entirety

The Group uses securitisations as a source of finance and a means of risk transfer. The Group securitised its mircofinance loans to different entities. These entities are not related to the Group. Also, the Group neither holds any equity or other interest nor controls them.

As per the terms of the agreement, the Group is exposed to first loss amounting to 7.25% - 12% (7.25% - 10% as at March 31, 2021) of the amount securitised and therefore continues to be exposed to significant risk and rewards relating to the underlying gold and microfinance loans. These receivables are not derecognised and proceeds received are recorded as a financial liability under borrowings.

The table below outlines the carrying amounts and fair values of all financial assets transferred that are not derecognised in their entirety and associated liabilities.

Particulars	As at 31st March 2022	As at 31st March 2021
Carrying amount of assets re - recognised due to non transfer of assets	38,497.06	41,003.50
Carrying amount of associated liabilities	41,304.17	44,701.20

The carrying amount of above assets and liabilities is a reasonable approximation of fair value.

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(Amount in INR Lakhs, except share data and unless otherwise stated)

9 Investments

Particulars	As at 31st March 2022	As at 31st March 2021
(i) At Amortized Cost / At Cost		
Debt securities (At Amortized Cost)		
Bonds		
St. Gregorious Medical Mission Bonds	-	300.00
Unlisted Debentures		
Investment Richa Lifespace Private Limited	612.50	612.50
Investment Diyug Construction Private Limited	282.85	282.85
Investment Richa Realtors Private Limited	1,300.00	1,300.00
Sub-total for investments at amortised cost / cost	**2,195.35**	**2,495.35**
(ii) At Fair Value through Profit or Loss		
Others - Quoted		
Investment in JM Financial India Fund II	156.37	106.90
Investments in Mutual Fund	4,076.39	290.02
Others - Unquoted		
Investment in Strugence Debt Fund	997.48	1,000.00
Investment in BPEA India Credit - Trust II	514.24	1,000.00
Sub-total for investments at fair value through Profit or loss	**5,744.48**	**2,396.91**
(iii) At Fair Value through Other Comprehensive Income		
Equity instruments		
Others-Quoted		
Investment in Equity Shares (DP account with Motilal Oswal)	1,646.32	1,038.94
Investment in PMS - Motilal Oswal	465.24	631.11
Others-Unquoted		
Investment in Muthoot Pappachan Chits Private Limited	15.14	6.52
Investment in Avenues India Private Limited	477.67	477.48
Investment in Fair Asset Technologies (P) Limited	719.85	703.59
Investment in The Thinking Machine Media Private Limited	18.00	18.00
Investment in Speckle Internet Solutions Private Limited	198.10	-
Sub-total for investments at fair value through other comprehensive income	**3,540.32**	**2,875.64**
Total Gross (A)	**11,480.15**	**7,767.90**
i) Investments outside India	-	-
ii) Investments in India	11,480.15	7,767.90
Total Gross (B)	**11,480.15**	**7,767.90**
Less : Allowance for impairment loss (C)	(1,207.44)	(1,207.44)
Total - Net D = (A) - (C)	**10,272.71**	**6,560.46**

Debt Instruments measured at Amortised Cost

Credit Quality of Assets

Particulars	31/03/2022				31/03/2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
High grade	-	-	-	-	300.00	-	-	300.00
Standard grade	-	-	-	-	-	-	-	-
Sub-standard grade	-	-	-	-	-	-	-	-
Past due but not impaired	-	-	-	-	-	-	-	-
Non- performing								
Individually impaired	-	-	2,195.35	2,195.35	-	-	2,195.35	2,195.35
Total	**-**	**-**	**2,195.35**	**2,195.35**	**300.00**	**-**	**2,195.35**	**2,495.35**

An analysis of changes in the gross carrying amount in relation to Debt Instruments measured at Amortised Cost is, as follows

Particulars	31/03/2022				31/03/2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	300.00	-	2,195.35	2,495.35	300.00	-	2,195.35	2,495.35
New assets originated or purchased	-	-	-	-	-	-	-	-
Assets derecognised or repaid (excluding write offs)	(300.00)	-	-	(300.00)	-	-	-	-
Assets written off during the period	-	-	-	-	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	**-**	**-**	**2,195.35**	**2,195.35**	**300.00**	**-**	**2,195.35**	**2,495.35**

Reconciliation of ECL balance is given below:

Particulars	2021-22				2020-21			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	-	-	1,207.44	1,207.44	-	-	1,207.44	1,207.44
New assets originated or purchased	-	-	-	-	-	-	-	-
Assets derecognised or repaid (excluding write offs)	-	-	-	-	-	-	-	-
Assets written off during the period	-	-	-	-	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
ECL allowance - closing balance	**-**	**-**	**1,207.44**	**1,207.44**	**-**	**-**	**1,207.44**	**1,207.44**

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10 Other financial assets

Particulars	As at 31st March 2022	As at 31st March 2021
Security deposits	7,059.87	7,098.51
Interest accrued on fixed deposits with banks	345.94	37.68
Advance for financial assets	2,209.63	5,209.63
Deposits	169.00	128.28
Deposit with original maturity for more than twelve months	1,084.26	5,152.27
Receivables from auction proceeds	-	11.03
EIS receivable (net)	815.25	1,144.38
Other financial assets	2,581.18	2,215.47
Total	**14,265.13**	**20,997.25**

11 Investment property

Particulars	As at 31st March 2022	As at 31st March 2021
Inventory – Projects		
Opening Balance	30,236.55	30,096.71
Transferred from / (to) property, plant and equipment	-	-
Acquisitions	-	139.83
Closing balance	**30,236.55**	**30,236.55**
Depreciation and Impairment		
Opening balance	-	-
Charge for the year	-	-
Closing Balance	**-**	**-**
Net Block	**30,236.55**	**30,236.55**

11.1. Investment Property includes lien marked properties of INR 9,460.56 as at 31st March, 2022 (March 31, 2021 - INR 13,577.41)

11.2. Fair Value of Investment Property as at March 31, 2022 - INR 31,593.16 (March 31, 2021 - INR 31,089.98)

11.3. Investment Property does not contain any immovable property which is not held in the name of the company

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(Amount in INR Lakhs, except share data and unless otherwise stated)

12 Property, plant and equipment

Particulars	Buildings	Computer	Furniture & Fixtures	Land	Plant & Equipment	Vehicles	Windmill	Office Equipment	Electrical Equipments	Leasehold Improvements	Equipment - Finance Lease	Total
As at 31st March 2020	**5,850.61**	**5,044.49**	**24,350.43**	**12,555.55**	**12,816.46**	**233.45**	**7,449.78**	**1,656.84**	**173.18**	**143.23**	**(0.00)**	**70,274.00**
Addition during the year	-	515.74	1,470.77	-	1,208.85	69.07	-	695.47	4.58	10.84	-	3,975.32
Disposals	-	(12.78)	(0.77)	-	-	-	-	(22.23)	(5.32)	-	-	(41.11)
As at 31st March 2021	**5,850.61**	**5,547.45**	**25,820.43**	**12,555.55**	**14,025.31**	**302.52**	**7,449.78**	**2,330.08**	**172.43**	**154.07**	**(0.00)**	**74,208.21**
Addition during the year	-	823.43	1,856.72	-	1,087.81	13.06	-	599.63	18.68	31.96	-	4,431.29
Disposals	-	(8.30)	(0.63)	-	-	-	-	(24.12)	(6.23)	(5.66)	-	(44.94)
As at 31st March 2022	**5,850.61**	**6,362.58**	**27,676.51**	**12,555.55**	**15,113.12**	**315.58**	**7,449.78**	**2,905.59**	**184.87**	**180.37**	**(0.00)**	**78,594.56**
Accumulated Depreciation:												
As at 31st March 2020	**297.00**	**2,912.35**	**11,127.76**	**-**	**4,504.79**	**178.69**	**1,536.63**	**304.27**	**57.24**	**42.43**	**(0.00)**	**20,961.16**
Addition during the year	98.91	1,186.65	3,287.70	-	2,196.38	28.12	511.74	375.79	22.09	28.35	-	7,735.73
Disposals	-	(9.09)	(0.46)	-	-	-	-	(20.15)	(2.42)	-	-	(32.12)
As at 31st March 2021	**395.92**	**4,089.91**	**14,415.00**	**-**	**6,701.17**	**206.81**	**2,048.37**	**659.91**	**76.91**	**70.78**	**(0.00)**	**28,664.77**
Addition during the year	66.19	1,250.05	755.28	-	3,400.21	17.55	511.74	529.71	15.65	28.46	-	6,574.84
Disposals	-	(7.69)	(0.38)	-	-	-	-	(21.06)	(3.34)	(5.38)	-	(37.84)
As at 31st March 2022	**462.11**	**5,332.27**	**15,169.90**	**-**	**10,101.38**	**224.36**	**2,560.11**	**1,168.55**	**89.21**	**93.87**	**(0.00)**	**35,201.77**
Net book value:												
As at 31st March 2021	**5,454.69**	**1,457.53**	**11,405.43**	**12,555.55**	**7,324.14**	**95.72**	**5,401.41**	**1,670.17**	**95.52**	**83.29**	**(0.00)**	**45,543.44**
As at 31st March 2022	**5,388.50**	**1,030.31**	**12,506.61**	**12,555.55**	**5,011.73**	**91.22**	**4,889.67**	**1,737.04**	**95.66**	**86.50**	**(0.00)**	**43,392.79**

13 Intangible assets under development and other intangible assets

Particulars	Intangible assets under development	Computer Software
As at 31st March 2020	**87.44**	**2,992.94**
Addition during the year	29.96	850.25
Capitalised during the year	-	-
Disposals	(2.95)	-
As at 31st March 2021	**114.45**	**3,843.18**
Addition during the year	-	698.80
Capitalised during the year	(114.45)	-
Disposals	-	-
As at 31st March 2022	**-**	**4,541.98**
Accumulated Depreciation:		
As at 31st March 2020	**-**	**1,370.40**
Charged for the year	-	581.05
Disposals	-	-
As at 31st March 2021	**-**	**1,951.45**
Charged for the year	-	637.49
Disposals	-	-
As at 31st March 2022	**-**	**2,588.95**
Net book value:		
As at 31st March 2021	**114.45**	**1,891.73**
As at 31st March 2022	**-**	**1,953.04**

(Amount in INR Lakhs, except share data and unless otherwise stated)

14 Right-of-use assets

Particulars	As at 31st March 2022	As at 31st March 2021
Depreciation charge for Right-of-use assets		
Leasehold Property	16,337.44	16,221.73
Equipments	34.17	399.42
Vehicles	-	19.32
Interest expense on lease liabilities	6,901.55	5,311.40
Income from subleasing right-of-use assets	158.79	172.13
Total cash outflow for leases	19,575.16	18,139.06
Carrying amount of right-of-use assets		
Leasehold Property	66,254.37	50,798.32
Equipments	4.21	38.38
Vehicles	-	-
Lease Liability		
Leasehold Property	74,228.21	55,954.77
Equipments	4.90	43.78
Vehicles	-	-

15.1. The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	As at 31st March 2022	As at 31st March 2021
Short-term leases	23.38	91.16
Leases of low value assets	-	-
Variable lease payments	-	-

15.2. Carrying value of right-of-use assets at the end of the reporting period:

Particulars	As at 31st March 2022	As at 31st March 2021
Balance as at the beginning	50,836.70	52,721.97
Additions	32,133.64	14,914.12
Deletions	(261.74)	(142.23)
Depreciation charge for the year	(16,371.61)	(16,640.47)
Other Adjustment	(78.43)	(16.68)
Balance at the end	66,258.57	50,836.70

15.3. Movement in lease liabilities:

Particulars	As at 31st March 2022	As at 31st March 2021
Balance as at the beginning	55,998.55	54,580.21
Additions	31,309.79	14,415.74
Interest on lease liabilities	6,901.55	5,311.40
Payment of lease liabilities	(19,575.17)	(18,139.06)
Other Adjustment	(401.63)	(169.74)
Balance at the end	74,233.11	55,998.55

15.4. Maturity analysis of lease liabilities

Particulars	As at 31st March 2022	As at 31st March 2021
Less than one year	15,955.68	16,686.17
One to five years	54,630.83	39,000.71
More than five years	41,210.26	26,893.12
Total undiscounted lease liabilities as at March 31, 2022 / March 31, 2021	1,11,796.77	82,580.00

15 Other non financial assets

Particulars	As at 31st March 2022	As at 31st March 2021
Prepaid expenses	934.98	848.41
Advance to Creditors	632.78	2,996.79
Advance for Property (refer note a)	23,790.54	23,790.54
Pre-Deposit Fee	619.45	503.45
GST / Service Tax Receivables	1,041.51	1,139.03
Other Receivable	2,553.71	2,582.60
Assets held for sale (refer note b)	1,452.46	911.56
Advance recoverable in cash or kind	-	-
Capital advances	92.25	16.88
Total	**31,117.68**	**32,789.27**

(a) Advance for Property as on March 31, 2022 consists of - INR 1,722.40 (P.Y. INR 1,722.40), INR 1,487.26 (P.Y. INR 1,487.26) and INR 20,580.88 (P.Y. INR 20,580.88) advanced by the Company to its Directors and their relatives, M/s. MPG Hotels & Infrastructure Ventures Private Limited (a Company in which the Directors are interested) and M/s. Muthoot Estate Investments (a firm in which the Directors of the Company are partners) respectively for purchase of immovable property by the Company from them.

(b) Assets held for sale represents Assets acquired under satisfaction of debt by Muthoot Housing Finance Company Limited.

16 Payables

Particulars	As at 31st March 2022	As at 31st March 2021
(I) Trade payables		
Total outstanding dues of micro enterprises and small enterprises	6.41	2.47
Total outstanding dues of creditors other than micro enterprises and small enterprise	337.28	270.03
(II) Other payables		
Total outstanding dues of micro enterprises and small enterprises	79.03	45.85
Total outstanding dues of creditors other than micro enterprises and small enterprise	5,679.47	2,101.21
Total	**6,102.19**	**2,419.57**

Disclosure under Micro, Small, and Medium Enterprises Development Act, 2006 :

Particulars	As at 31st March 2022	As at 31st March 2021
Principal amount remaining unpaid during the year	85.44	48.32
Interest due thereon	-	-
Interest remaining accrued and unpaid at the end of the year	-	-
Total interest accrued and remained unpaid at year end	85.44	48.32

(i) Ageing Schedule of Trade Payables (As on 31/03/2022)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	6.62	0.03	-	0.26	6.91
(ii) Others	316.86	5.96	-	13.96	336.77
(iii) Disputed Dues- MSME	-	-	-	-	-
(iv) Disputed Dues- Others	-	-	-	-	-
Total	**323.48**	**5.99**	**-**	**14.22**	**343.69**

(ii) Ageing Schedule of Trade Payables (As on 31/03/2021)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	2.21	-	-	0.26	2.47
(ii) Others	157.41	13.87	26.09	72.68	270.04
(iii) Disputed Dues- MSME	-	-	-	-	-
(iv) Disputed Dues- Others	-	-	-	-	-
Total	**159.62**	**13.87**	**26.09**	**72.94**	**272.51**

17 Debt Securities (At Amortised Cost)

Particulars*	As at 31st March 2022	As at 31st March 2021
Secured		
Secured Non-Convertible Debentures	587.29	1,145.72
Secured Non-Convertible Debentures- Listed	2,98,706.31	3,67,491.10
Secured Non-Convertible Debentures - Covered Bonds - Listed	1,43,079.15	1,11,289.30
Unsecured		
Commercial Paper	4,968.27	2,904.97
Total	**4,47,341.02**	**4,82,831.10**
Debt securities in India	4,47,341.02	4,82,831.10
Debt securities outside India	-	-
Total	**4,47,341.02**	**4,82,831.10**

*Includes issue expenses amortised as per Effective Interest Rate (EIR)

Maturity Profile of Non-Convertible Debentures as on March 31st 2022:

Particulars	Amount
FY 2022-23	1,60,567.71
FY 2023-24	1,80,603.84
FY 2024-25	51,182.48
FY 2025-26	31,981.86
FY 2026-27	12,889.76
FY 2027-28	2,783.06
FY 2029-30	9,728.70
Adjustments on account of effective rate of interest	(2,396.39)
TOTAL	**4,47,341.02**

Secured debentures are secured in either of the following ways by the respective Company issuing the instrument:

Nature of security	Outstanding as at March 31st 2022	Outstanding as at March 31st 2021
Privately placed (Listed & Unlisted)		
Secured by subservient charge on all current assets (both present and future) and immovable property of the Company	88.00	148.00
Exclusive charge over book debts equivalent to 100% of the loan and interest amount	19,000.00	26,000.00
Exclusive charge over book debts equivalent to 110% of the loan and interest amount	44,540.00	4,000.00
Exclusive charge over book debts equivalent to 115% of the loan and interest amount	-	12,500.00
Hypothecation of Loan Receivables of the Company equivalent to 1.1 times of the amount outstanding	500.00	1,000.00
First Pari-passu charge on the present and future standard loan receivables equivalent to 1.10 times of the loan	10,000.00	1,30,000.00
First Pari-passu charge on the present and future standard loan receivables equivalent to 1.25 times of the loan and on immovable property of the Company	-	45,000.00
Public Issue - Listed		
Subservient charge with existing secured creditors on all loan receivables (both present and future) of the company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders	1,83,294.62	1,04,816.85
Subservient charge with existing secured creditors on all loan receivables (both present and future) of the company and exclusive mortgage and first charge over certain immovable property of the Company	43,596.53	46,376.20
Covered Bonds - Listed		
First Pari-passu charge on the present and future current assets of the Company along with other lenders and NCD investors with a minimum asset coverage ratio of 1.10 times of the value of the outstanding principal amounts of the Debentures	20,000.00	-
Hypothecation over Cover Pool and C&P Account to be created upfront by the Trust in favour of Security Trustee. Cover of 1.15 times the outstanding NCDs to be maintained at all times Hypothecation over: (i) Contribution (ii) right, title and interest of the Borrower in the property belonging to the Trust, as a residual beneficiary; and (iii) in the event that the transfer of the assets from the Borrower to the Trust is reversed for any reason whatsoever, then all right, title and interest of the Borrower in the said assets (iv) Cash Collateral of 7% of Facility Amount (static) in the form of Fixed Deposits to be created upfront by the Company in favour of Debenture Trustee, to be created by the Borrower upfront and CHG 9 to be filed within 30 days from date of first disbursement by Borrower in favour of Security Trustee	3,750.00	-
First ranking exclusive and continuing charge on book debts which shall be maintained at 1.15 times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon, Default Interest accrued thereon	37,500.00	47,210.00
First ranking exclusive and continuing charge on book debts which shall be maintained at 1.15 times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon, Default Interest accrued thereon and first ranking pari passu charge by way of mortgage over certain immovable property of the Company	20,000.00	32,500.00
First ranking exclusive and continuing charge on book debts which shall be maintained at 1.20 times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon, Default Interest accrued thereon	62,500.00	32,500.00

(Amount in INR Lakhs, except share data and unless otherwise stated)

18 Borrowings (other than debt securities) - At Amortised Cost

Particulars	As at 31st March 2022	As at 31st March 2021
(a) Term loans		
(i) from banks	6,84,216.30	5,84,891.49
(ii) from other parties		
- financial institutions	1,27,844.80	94,172.97
- financial institutions (unsecured)	15,597.70	13,774.32
(iii) under securitisation arrangement	41,210.91	44,589.19
(b) Loans repayable on demand		
(i) from banks (OD & CC)	7,31,762.24	7,18,693.11
(ii) from other parties (unsecured)	460.09	400.09
Total	**16,01,092.04**	**14,56,521.18**
Borrowings in India	16,01,092.04	14,56,521.18
Borrowings outside India	-	-

a) Security details :

Borrowings (other than debt securities) are secured in either of the following ways by the respective Company issuing the instrument:

Nature of the security	Outstanding as at March 31st 2022	Outstanding as at March 31st 2021
From Banks and Financial Institutions		
Hypothecation of Loan receivables, other current assets & specified fixed assets equivalent to security cover stipulated by respective banks (Guaranteed by promoter directors INR 416,554.50 (31st March 2021 : INR 383,176)	4,25,216.06	3,83,652.47
Hypothecation of Loan Receivables equivalent to security cover stipulated by respective banks (Guaranteed by promoter directors)	96,368.32	83,697.07
Hypothecation of all present and future current assets including Book Debts,Trade Receivables, Fixed Assets, Intangible assets and all other Receivables	631.77	1,026.33
Cash margin of 2.50%	-	999.65
Cash margin of 5%	-	1,248.75
Cash margin of 10%	7,328.11	17,125.05
Exclusive charge over book debts equivalent to 100% of loan amount and Cash margin of 10%	10,000.00	-
Exclusive charge over book debts equivalent to 105% of loan amount and Cash margin of 5%	24,100.37	31,711.53
Exclusive charge over book debts equivalent to 108% of loan amount and Cash margin of 8%	778.16	5,200.80
Exclusive charge over book debts equivalent to 108% of loan amount and Cash margin of 10%	1,039.57	5,116.70
Exclusive charge over book debts equivalent to 108.30% of loan amount and Cash margin of 10%	345.05	3,667.00
Exclusive charge over book debts equivalent to 108.68% of loan amount and Cash margin of 12%	2,959.67	-
Exclusive charge over book debts equivalent to 108.70% of loan amount and Cash margin of 12%	10,764.10	-
Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 3%	-	5,440.22
Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 5%	73,682.79	23,363.59
Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 7.25%	5,361.62	22,963.20
Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 8%	1,076.04	7,641.50
Exclusive charge over book debts equivalent to 111% of loan amount and Cash margin of 5%	-	9,991.60
Exclusive charge over book debts equivalent to 111.11% of loan amount and Cash margin of 10%	6,662.59	-
Exclusive charge over book debts equivalent to 111.12% of loan amount and Cash margin of 10%	8,665.76	-
Exclusive charge over book debts equivalent to 111.21% of loan amount and Cash margin of 10%	3,558.34	-
Exclusive charge over book debts equivalent to 112% of loan amount and Cash margin of 10%	5,100.00	17,000.00
Exclusive charge over book debts equivalent to 112.74% of loan amount	2,750.00	6,050.00

Nature of the security	Outstanding as at March 31st 2022	Outstanding as at March 31st 2021
Exclusive charge over book debts equivalent to 113% of loan amount and Cash margin of 10%.	20,000.00	-
Exclusive charge over book debts equivalent to 115% of loan amount and Cash margin of 5%.	3,494.14	9,460.10
Exclusive charge over book debts equivalent to 117% of loan amount and Cash margin of 5%	2,332.36	3,482.72
Exclusive charge over book debts equivalent to 133% of loan amount and Cash margin of 5%	13,250.66	19,811.97
Exclusive charge over book debts equivalent to 100% of loan amount	30,612.37	7,907.52
Exclusive charge over book debts equivalent to 105% of loan amount	22,961.21	2,871.34
Exclusive charge over book debts equivalent to 110% of loan amount	64,316.27	43,983.31
Exclusive charge over book debts equivalent to 115% of loan amount	1,767.08	-
Finance lease obligations		
Hypothecation of motor car	-	0.31
From other parties		
Hypothecation of Loan Receivables of the Company equivalent to security cover stipulated by respective lender	8,149.58	10,241.02
Loans repayable on demand		
Hypothecation of Loan Receivables equivalent to security cover stipulated by respective banks (Guaranteed by promoter directors)	7,28,350.96	7,15,184.37

b) Terms of repayment

Secured loans from Banks

Name of Party	Outstanding as at March 31st 2022	Outstanding as at March 31st 2021	Terms of Repayment
Term Loan from Banks			
State Bank of India Car Loan	6.51	12.07	Repayable in 16 monthly instalments on diminishing value method
State Bank of India Car Loan	4.20	6.12	Repayable in 24 monthly instalments on diminishing value method
Allahabad Bank	0.00	10,067.89	Repayable in 3 quarterly instalments of INR 3,333.00 each from May 2021
Axis Bank	-	20,146.08	Repayable in 4 quarterly instalments of INR 5,000.00 each from June 2021
Axis Bank	17,500.00	-	Repayable in 7 quarterly instalments of INR 2,500.00 each from July 2022
Bank of Baroda	2,000.00	6,000.00	Repayable in 2 quarterly instalments of INR 1,000.00 each from June 2022
Bank of Baroda	18,000.00	30,000.00	Repayable in 6 quarterly instalments of INR 3,000.00 each from April 2022
Bank of India	12,000.00	24,000.00	Repayable in 4 quarterly instalments of INR 3,000.00 each from June 2022
Bank of Maharashtra	-	3,781.85	Repayable by April 15, 2021
Bank of Maharashtra	10,580.28	-	Repayable in 7 quarterly instalments of INR 1,500.00 each from June 2022
Canara Bank	25,908.00	43,180.00	Repayable in 6 quarterly instalments of INR 4,318.00 each from June 2022
Canara Bank	30,000.00	-	Repayable in 10 quarterly instalments of INR 3,000.00 each from June 2022
Central Bank of India	5,914.92	17,988.27	Repayable in 2 quarterly instalments of INR 3,000.00 each from May 2022
Central Bank of India	3,697.76	18,747.67	Repayable in June 2022
Central Bank of India	5,599.23	7,499.32	Repayable in 6 quarterly instalments of INR 937.5 each from May 2022
Central Bank of India	5,612.06	3,750.00	Repayable in 6 quarterly instalments of INR 937.50 each from May 2022
Central Bank of India	9,999.44	-	Repayable in 10 quarterly instalments of INR 1,000.00 each from June 2022
Central Bank of India	19,986.36	-	Repayable in 10 quarterly instalments of INR 2,000.00 each from June 2022

Name of Party	Outstanding as at March 31st 2022	Outstanding as at March 31st 2021	Terms of Repayment
DBS Bank	5,000.00	-	Repayable in 21 monthly instalments of INR 238.00 each from July 2022
DBS Bank	5,000.00	-	Repayable in 21 monthly instalments of INR 238.00 each from July 2022
Indian Bank	18,134.56	30,222.95	Repayable in 6 quarterly instalments of INR 3,000.00 each from June 2022
Indian Bank	24,349.30	-	Repayable in 29 monthly instalments of INR 833.00 each from April 2022
Indian Bank	10,002.26	-	Repayable in 15 quarterly instalments of INR 667.00 each from June 2022
Oriental Bank of Commerce	-	8,333.32	Repayable in 5 quarterly instalments of INR 1,666.67 each in April 21, June 21, September 21, December 21 & March 22
Oriental Bank of Commerce	3,309.56	9,999.98	Repayable in 2 quarterly instalments of INR 1,666.67 each in June 2022, September 2022
Punjab National Bank	30,000.00	-	Repayable in 11 quarterly instalments of INR 2727.00 each from September 2022
Punjab & Sind Bank	8,000.00	10,000.01	Repayable in 8 quarterly instalments of INR 1,000.00 each from June 2022
Punjab & Sind Bank	15,000.00	-	Repayable in 10 quarterly instalments of INR 1,500.00 each from May 2022
Punjab & Sind Bank	7,500.00	-	Repayable in 10 quarterly instalments of INR 750.00 each from September 2022
State Bank of India	-	19,999.85	Repayment in single bullet payment on June 30, 2021
State Bank of India	24,499.66	34,999.94	Repayable in 8 Quarterly Instalments; INR 3,500.00 by end of May 2022 and INR 3,000.00 each for the remaining quarterly instalments
State Bank of India	32,499.85	-	Repayable in 10 quarterly instalments of INR 3250.00 each from August 2022
Syndicate Bank	-	1,013.22	Repayable in June 2021
UCO Bank	5,617.37	8,117.37	Repayable in 9 quarterly instalments of INR 625.00 each from Jun 2022
UCO Bank	9,371.72	12,496.74	Repayable in 12 quarterly instalments of INR 781.25 each from May 2022
UCO Bank	8,740.60	13,745.87	Repayable in 7 quarterly instalments of INR 1,250.00 each from April 2022
UCO Bank	9,982.33	14,992.58	Repayable in 8 quarterly instalments of INR 1,250.00 each from May 2022
UCO Bank	13,124.73	-	Repayable in 14 quarterly instalments of INR 937.50 each from April 2022
UCO Bank	13,000.00	-	Repayable in 16 quarterly instalments of INR 812.50 each from June 2022
United Bank of India	3,308.46	16,666.63	Repayable in May 2022
Ujjivan Bank	2,600.00	6,500.00	Repayable in 2 quarterly instalments of INR 1,300.00 each from June 2022
Yes Bank	8,528.84	11,372.84	Repayable in 12 quarterly installments of INR 711.00 each
AU Small Finance Bank Limited	625.00	1,125.00	Repayable in 20 quarterly instalments after 1 month from the date of full disbursement
Axis Bank	1,235.29	1,500.00	Repayable in 17 quarterly instalments after 12 months from the date of first disbursement
Bank of Baroda	1,309.97	1,587.85	Repayable in 36 quarterly instalments after 12 months from the disbursement
Bank of India	4,997.42	-	Repayable in 36 quarterly instalments after 12 months from the date of first disbursement
Canara Bank	2,731.48	3,287.04	Repayable in 108 monthly instalments after 13 months from the disbursement

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Name of Party	Outstanding as at March 31st 2022	Outstanding as at March 31st 2021	Terms of Repayment
Canara Bank	3,024.88	4,272.88	Repayable in 48 monthly instalments after 13 months from the disbursement
Canara Bank	1,666.67	1,962.11	Repayable in 36 equal quarterly instalments after 15 months from the disbursement
DBS Bank India Limited	194.52	445.44	Repayable in 120 monthly instalments after 12 months from the disbursement
Federal Bank Limited	1,833.21	-	Repayable in 36 monthly instalments after a month from the disbursement
ICICI Bank Limited	267.86	625.00	Repayable in 28 quarterly instalments after 12 months from the disbursement
IDBI Bank Limited	672.48	775.92	Repayable in 58 quarterly instalments after 6 months from the disbursement
Indian Bank	6,879.31	8,333.25	Repayable in 29 quarterly instalments after a holiday period of 3 quarters from the date of first disbursement
Indian Bank	6,000.00	-	Repayable in 72 monthly instalments after a holiday period of 12 months from the date of first disbursement
Karur Vysya Bank	1,527.70	1,805.56	Repayable in 36 equal quarterly instalments after 12 months from the disbursement
Punjab National Bank	2,068.16	2,627.51	Repayable in 36 equal quarterly instalments after 6 months from the disbursement
Punjab National Bank	5,798.62	6,558.52	Repayable in 40 equal quarterly instalments after 15 months from the disbursement
Punjab National Bank	1,584.10	1,867.45	Repayable in 36 equal quarterly instalments after 12 months from the disbursement
Punjab National Bank	1,999.09	-	Repayable in 36 equal quarterly instalments after 12 months from the disbursement
South Indian Bank	274.35	1,100.03	Repayable in 84 monthly instalments after 12 months from the disbursement
South Indian Bank	868.46	1,368.43	Repayable in 60 instalments from the disbursement
State Bank of India	866.00	1,669.28	Repayable in 27 quarterly instalments after 6 months from the disbursement
State Bank of India	2,789.15	3,189.42	Repayable in 36 quarterly instalments after 4 months from the disbursement
State Bank of India	6,696.20	7,499.46	Repayable in 35 quarterly instalments after 12 months from the disbursement
State Bank of India	7,999.64	5,500.00	Repayable in 36 quarterly instalments after 12 months from the disbursement
State Bank of India	4,999.82		Repayable in 36 quarterly instalments after 12 months from the disbursement
Union Bank of India	1,724.98	2,498.06	Repayable in 26 equal quarterly instalments after 6 months from the disbursement
Union Bank of India	4,164.79	4,998.37	Repayable in 24 equal quarterly instalments after 15 months from the disbursement
Union Bank of India	98.62	498.51	Repayable in 25 quarterly instalments after 9 months from the disbursement
Union Bank of India	3,049.33	3,606.55	Repayable in 36 equal quarterly instalments after 15 months from disbursement
Yes Bank Limited	2,738.56	3,097.46	Repayable in 163 monthly instalments after 6 months from the disbursement
National Housing Bank	234.69	300.65	Repayable in 47 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	530.00	598.00	Repayable in 59 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	52.95	71.63	Repayable in 27 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	790.50	883.70	Repayable in 59 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	1,216.20	1,319.40	Repayable in 59 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	515.60	669.20	Repayable in 27 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	-	2,533.00	Repayable within one year

Name of Party	Outstanding as at March 31st 2022	Outstanding as at March 31st 2021	Terms of Repayment
National Housing Bank	193.50	216.30	Repayable in 39 quarterly instalments after quarter suceeding the disbursement
National Housing Bank	427.79	507.60	Repayable in 39 quarterly instalments after quarter suceeding the disbursement
National Housing Bank	891.80	996.76	Repayable in 39 quarterly instalments after quarter suceeding the disbursement
National Housing Bank	2,078.00	2,322.80	Repayable in 39 quarterly instalments after quarter suceeding the disbursement
National Housing Bank	973.71	1,188.97	Repayable in 39 quarterly instalments after quarter suceeding the disbursement
National Housing Bank	500.75	657.69	Repayable in 39 quarterly instalments after quarter suceeding the disbursement
National Housing Bank	594.79	-	Repayable within one year
National Housing Bank	92.58	-	Repayable in 27 quarterly instalments after quarter suceeding the disbursement
National Housing Bank	692.49	-	Repayable in 27 quarterly instalments after quarter suceeding the disbursement
National Housing Bank	3,435.00	-	Repayable in 27 quarterly instalments after quarter suceeding the disbursement
National Housing Bank	3,165.00	-	Repayable in 27 quarterly instalments after quarter suceeding the disbursement
Interest accrued on borrowings	17.25	66.04	-
Axis Bank	-	875.00	Repayable in 8 quarterly instalments from December, 2018
Axis Bank	-	2,500.00	Repayable in 8 quarterly instalments from June 2020
Axis Bank VI	14,318.18	-	Repayable in 22 monthly instalments from March, 2022
Bandhan Bank	-	2,285.47	Repayable in 7 quarterly instalments from August 2019
Bandhan Bank IV	12,499.79	-	Repayable in 7 quarterly instalments from July, 2022
Bandhan Bank IV B	7,499.99	-	Repayable in 7 quarterly instalments from September, 2022
Bank of Bahrain and Kuwait	2,340.00	3,500.00	Repayable in 12 quarterly instalments from May 2021
Bank of Baroda	3,500.00	9,500.00	Repayable in 30 monthly instalments from March 2020
Bank of Baroda -2	8,333.33	-	Repayable in 36 monthly instalments from October, 2021
Bank of India	-	118.22	Repayable in 36 monthly instalments from October 2017
Canara Bank	8,331.43	-	Repayable in 36 monthly instalments from October, 2021
DCB 2	-	578.42	Repayable in 33 monthly instalments from October, 2018
DCB 3	-	2,000.00	Repayable in 24 monthly instalments from November, 2019
DCB IV	4,791.22	-	Repayable in 24 monthly instalments from March, 2022
DOHA Bank	80.56	1,047.22	Repayable in 36 monthly instalments from May, 2019
Equitas Small Finance Bank II	4,582.00	-	Repayable in 24 monthly instalments from February, 2022
Federal Car loan	-	0.31	Repayable in 60 monthly instalments from July, 2016
HDFC	380.95	952.38	Repayable in 21 monthly instalments from March, 2021
ICICI III	-	2,727.27	Repayable in 22 monthly instalments from November, 2019
ICICI IV	-	2,727.27	Repayable in 22 monthly instalments from June, 2020
IDBI Bank - IV	5,000.00	-	Repayable in 24 monthly instalments from July, 2022
IDBI III	4,531.25	-	Repayable in 32 monthly instalments from January, 2022
Indian Bank 1	-	10,000.01	Repayable in 24 monthly instalments from January, 2020
Indian Bank 2	-	9,166.60	Repayable in 24 monthly instalments from March, 2020
IOB	5,000.00	-	Repayable in 30 monthly instalments from September, 2022
Jana SFB	2,334.64	5,000.00	Repayable in 24 monthly instalments from May, 2021
Jana SFB - II	3,149.90	-	Repayable in 36 monthly instalments from September, 2021
Karnataka Bank	3,999.66	4,999.94	Repayable in 5 half yearly instalments from December, 2021
Karnataka Bank II	4,999.94	-	Repayable in 5 half yearly instalments from November, 2022
KOTAK II	-	250.00	Repayable in 24 monthly instalments from April, 2019
KOTAK III	-	1,666.67	Repayable in 24 monthly instalments from December, 2019
KOTAK IV	3,208.24	6,708.33	Repayable in 24 monthly instalments from March, 2021
Kotak Mahindra Bank V	7,499.99	-	Repayable in 23 monthly instalments from June, 2022

Name of Party	Outstanding as at March 31st 2022	Outstanding as at March 31st 2021	Terms of Repayment
Lakshmi Vilas Bank	-	1,430.38	Repayable in 36 monthly instalments from April, 2018
Punjab National Bank	18,180.51	-	Repayable in 33 monthly instalments from January, 2022
SBI 3	-	703.21	Repayable in 24 monthly instalments from May, 2019
SBI 4	-	11,538.16	Repayable in 24 monthly instalments from December, 2019
SBI 5	13,333.00	20,000.00	Repayable in 12 quarterly instalments from April, 2021
SCB	1,875.00	-	Repayable in 1 bullet payment in June, 2022
SCB - Jan'22	4,125.00	-	Repayable in 1 bullet payment in January, 2023
SCB - Nov'21	7,000.00	-	Repayable in 8 quarterly instalments from February, 2022
SCB - Nov'21 - 2	2,000.00	-	Repayable in 1 bullet payment in November, 2022
SCB - Oct'21	625.00	-	Repayable in 1 bullet payment in October, 2022
SCB -Apr'22	3,750.00	-	Repayable in 1 bullet payment in April, 2022
SCB I -4	-	2,000.00	Repayable in 1 yearly instalment in October, 2021
SCB I -5	-	1,750.00	Repayable in 1 yearly instalment in November, 2021
SCB I -6	-	1,250.00	Repayable in 1 yearly instalment in December, 2021
SCB I -7	-	3,750.00	Repayable in 1 yearly instalment in March, 2022
SCB II	-	1,250.00	Repayable in 4 quarterly instalments from August, 2020
SCB III	-	2,500.00	Repayable in 4 quarterly instalments from June, 2021
UJJIVAN II	-	714.29	Repayable in 21 monthly instalments from May, 2020
Union Bank of India	500.00	1,416.68	Repayable in 30 monthly instalments from April, 2020
Union Bank of India	1,500.00	3,333.33	Repayable in 30 monthly instalments from July, 2020
Utkarsh Small Finance Bank	1,562.50	-	Repayable in 24 monthly instalments from July, 2021
Woori Bank	-	755.56	Repayable in 36 monthly instalments from December, 2018
Woori Bank 3	2,100.00	-	Repayable in 24 monthly instalments from October, 2021
Woori Bank 4	2,712.50	-	Repayable in 24 monthly instalments from January, 2022
Adjustments on account of effective rate of interest	(2,889.86)	(1,871.65)	
Securitisation arrangements			
Bandhan Marvel	6,668.65	-	Repayable on a monthly basis on actual collection from September, 2021
CSB Bella	1,076.42	7,659.62	Repayable on a monthly basis on actual collection from January, 2021
CSB Peterson	8,693.07	-	Repayable on a monthly basis on actual collection from February, 2022
DCB Macfarland	778.65	5,213.40	Repayable on a monthly basis on actual collection from April, 2021
Federal Eaton	345.13	3,674.18	Repayable on a monthly basis on actual collection from January, 2021
Federal Splash	2,967.67	-	Repayable on a monthly basis on actual collection from November, 2021
Federal Vision	3,369.43	-	Repayable on a monthly basis on actual collection from January, 2022
ICICI Sahana	1,039.89	5,129.64	Repayable on a monthly basis on actual collection from April, 2021
ICICI Sarayu	2,364.08	-	Repayable on a monthly basis on actual collection from July, 2021
ICICI Starlord	5,066.63	-	Repayable on a monthly basis on actual collection from January, 2022
IDFC Vikramaditya	5,365.62	23,024.38	Repayable on a monthly basis on actual collection from April, 2021
SBI Malik	3,568.94	-	Repayable on a monthly basis on actual collection from November, 2021
Adjustments on account of effective rate of interest	(93.26)	(112.02)	

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Term Loan from Others			
Name of Party	**Outstanding as at March 31st 2022**	**Outstanding as at March 31st 2021**	**Terms of Repayment**
Mahindra & Mahindra Financial Services Limited	-	944.17	Repayable in 6 monthly instalments of INR 162.14 from April 2021
Bajaj Finance	2,187.50	-	Repayable in 15 monthly instalments of INR 146.00 each from April 2022
Hinduja Housing Finance Company Limited	300.00	500.00	Repayable in 120 monthly instalments after 12 months from the disbursement
LIC Housing Finance Limited	7,911.15	8,824.05	Repayable in 108 monthly instalments after 12 months from the disbursement
Muthoot Capital Services Limited	-	1,000.00	Bullet repayment at the end of 6 months from the disbursement
Northern Arc Capital Limited	3,333.32	5,000.00	Repayable in 12 quarterly instalments
Northern Arc Capital Limited	2,500.00	-	Repayable in 10 quarterly instalments
Northern Arc Capital Limited	3,000.00	-	Repayable in 10 quarterly instalments
Interest accrued on borrowings	69.68	46.24	-
Capri Global	1,770.83	-	Repayable in 24 monthly instalments from September, 2021
Credit Saision	3,062.50	-	Repayable in 8 quarterly instalments from February, 2022
Credit Saison II	1,500.00	-	Repayable in 8 quarterly instalments from May, 2022
JM Financials	10,000.00	-	Repayable in 12 monthly instalments from May, 2022
Mas Financial Services Ltd	1,875.00	4,375.00	Repayable in 24 monthly instalments from January, 2021
MAS Financial Services Ltd - 2	3,666.67	-	Repayable in 24 monthly instalments from February, 2022
MUDRA	-	1,818.16	Repayable in 33 monthly instalments from January, 2019
MUDRA II	1,070.00	5,356.40	Repayable in 28 monthly instalments from March, 2020
Mudra III	20,000.00	-	Repayable in 33 monthly instalments from June, 2022
Nabard	20,000.00	-	Repayable in 2 annual instalments from July, 2022
NABARD Refinance	2,750.00	6,050.00	Repayable in 11 half yearly instalments from January, 2020
NABARD Refinance	2,500.00	10,000.00	Repayable in 11 half yearly instalments from July, 2019
NABARD Refinance	4,000.00	12,500.00	Repayable in 11 monthly instalments from January, 2019
NABARD Refinance	5,100.00	17,000.00	Repayable in 2 yearly instalments from December, 2021
Nabfin-2	1,145.55	2,000.00	Repayable in 24 monthly instalments from May, 2021
NABFINS III	1,800.00	-	Repayable in 12 quarterly instalments from June, 2022
NABKISAN II	999.57	1,500.00	Repayable in 12 quarterly instalments from June, 2021
NABKISAN III	2,999.99	-	Repayable in 12 quarterly instalments from June, 2022
Nabsamruddi - Microfinance	1,300.00	-	Repayable in 36 monthly instalments from May, 2022
Nabsamruddi - Solar	200.00	-	Repayable in 36 monthly instalments from May, 2022
Nabsamruddi - Wash	1,500.00	-	Repayable in 36 monthly instalments from May, 2022
OIKO	2,666.40	4,000.00	Repayable in 12 quarterly instalments from June, 2021
OIKO	-	1,166.76	Repayable in 3 annual instalments from June, 2019
SIDBI	-	1,000.00	Repayable in 30 monthly instalments from January, 2019
SIDBI	7,333.33	15,333.33	Repayable in 30 monthly instalments from September, 2020
SIDBI IV - 1	10,000.00	-	Repayable in 10 monthly instalments from May, 2022
SIDBI IV - 2	10,000.00	-	Repayable in 30 monthly instalments from August, 2022
Northern Arc	4,047.07	-	Repayable in 24 monthly instalments from January, 2021
Northern Arc II	2,785.40	8,785.89	Repayable in 24 monthly instalments from August, 2021
Muthoot Capital Services Limited	633.33	1,033.33	Repayable in 36 monthly instalments from disbursement
Adjustments on account of effective rate of interest	(569.48)	(289.03)	

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(Amount in INR Lakhs, except share data and unless otherwise stated)

19 Subordinated Liabilities

Particulars	As at 31st March 2022	As at 31st March 2021
At amortised cost		
Subordinated Debt	1,61,814.67	2,08,973.13
Subordinated Debt - Listed	38,292.73	14,407.40
Unsecured Term Loan from Financial Institutions	2,499.74	2,496.26
Tier-I Capital - Perpetual Debt Instruments	38,419.24	26,131.54
Total	**2,41,026.38**	**2,52,008.33**
Borrowings in India	2,41,026.38	2,52,008.33
Borrowings outside India	-	-

(a) Subordinated Debt instruments are unsecured, subordinated to the claims of all other creditors with an initial maturity of minimum 5 years. Subordinated Debt aggregating to INR 7,848 (31st March 2021 : INR 10,000) are guaranteed by promoter directors (Mr. Thomas John Muthoot, Mr.Thomas George Muthoot and Mr. Thomas Muthoot) of the Company.

(b) Maturity Profile of Subordinated Debt, Subordinated Debt-Listed and Unsecured Term Loan

Particulars	Amount
FY 2022-23	45,998.30
FY 2023-24	49,005.09
FY 2024-25	25,991.84
FY 2025-26	15,876.99
FY 2026-27	24,804.50
FY 2027-28	21,247.71
FY 2028-29	20,176.03
Adjustments on account of effective rate of interest	(493.32)
TOTAL	**2,02,607.14**

(c) Unamortised Borrowing Cost on Unsecured Term Loan from Financial Institutions is INR 0.26 (31st March 2021: INR 3.74).

(d) Perpetual Debt Instruments are unsecured instruments, which have been issued as per RBI guidelines. Unamortised Borrowing Cost on Perpetual Debt Instruments is INR 1,480.76 (31st March 2021: INR 268.46).

20 Other Financial Liabilities

Particulars	As at 31st March 2022	As at 31st March 2021
Expenses Payable	2,470.58	1,851.96
Security deposits received	612.43	932.37
Unpaid matured debt and interest accrued thereon	3,368.83	2,953.63
Interest accrued but not due on borrowings	57,501.17	47,341.64
Payable to employees	1,524.14	1,086.65
Payables towards securitisation/assignment transactions	1,274.68	11,645.73
Cumulative Compulsorily Convertible Preference Shares (CCCPS)	15,213.00	-
Others	9,797.91	4,518.08
Total	**91,762.74**	**70,330.07**

Note a

(i) The Group has during the reporting year, issued 15,00,00,000, 14% CCCPS of INR 10 each at a price of INR 10 each to BPEA Credit – India Fund III – Scheme C & BPEA Credit – India Fund III – Scheme F (Collectively referred as investors) amounting to INR 15,000. The equity shares issued upon Conversion of the CCPS will in all respects rank pari passu with equity shares at the time of conversion.

(ii) CCCPS shall be convertible to equity shares at the option of the investor at any time after the expiry of a period of 43 (forty three) months from the Closing Date (refer paragraph iii for exception) or upon the expiry of a period of 10 (ten) years from the Closing Date and shall be converted at lower of the fair values of the Equity Shares as determined by the:
(a) valuation report dated December 9, 2020 issued by Ernst & Young Merchant Banking Services LLP in relation to the issuance of the CCCPS; or
(b) valuation report to be issued by a registered valuer (in a form acceptable to the holders of the CCCPS) following the issuance of the Conversion Notice by the holders of the CCCPS.

(iii) The holders of the CCCPS may issue the Conversion Notice at any time after the Closing Date, upon the occurrence of any of the following events:
(a) non-payment of dividend by the Company in manner stipulated as per agreement on the relevant dividend payment dates,
(b) credit rating of the Company falling below A- (as certified by any credit rating agency); and/or
(c) any failure by the Company to maintain a Net Interest Margin of 7.0 (Seven percent) % or higher;
(d) any failure by the Company to maintain an overall Capital to Risk Assets Ratio of 16.0 (Sixteen percent) % or higher;
(e) any failure by the Company to maintain the aggregate Tier 2 Capital at 50% (Fifty percent) or lower than the aggregate Tier 1 Capital; or
(f) any failure by the Company to maintain the Gross Non-Performing Assets at 5.5% (Five decimal five percent) or lower and Net Non-Performing Assets at 4.0% (Four percent) or lower, to be tested on a semi-annual basis for Company as on (a) 31 March of each financial year, and (b) 30 September of each financial year

Note b - Change in fair value

Particulars	As at 31st March 2022	As at 31st March 2021
Cumulative change in fair value of the preference shares attributable to changes in credit risk	213.00	-
Change during the year in the fair value of the preference shares attributable to changes in credit risk	213.00	-

21 Provisions

Particulars	As at 31st March 2022	As at 31st March 2021
Provision for employee benefits		
- Gratuity	692.68	2,187.18
- Provision for compensated absences	455.50	526.24
Unspent amount on Corporate Social Responsibilty	25.04	-
Impairment on Loan Commitments	17.34	12.77
Total	**1,190.56**	**2,726.20**

22 Other Non-Financial Liabilities

Particulars	As at 31st March 2022	As at 31st March 2021
Statutory dues payable	2,311.79	1,762.97
Advance received from Customers	-	146.89
Income received in advance	-	-
Other non financial liabilities	4.68	5.80
Total	**2,316.47**	**1,915.66**

(Amount in INR Lakhs, except share data and unless otherwise stated)

23 Equity share capital

(a) Authorised share capital

Equity Shares

Particulars	No. of Shares	Amount
At 1st April 2020	20,00,00,000	20,000.00
Add: Increased during the year	2,50,00,000	2,500.00
At 31st March 2021	22,50,00,000	22,500.00
Add: Increased during the year	-	-
At 31st March 2022	22,50,00,000	22,500.00

Preference Shares

Particulars	No. of Shares	Amount
At 1st April 2020	-	-
Add: Increased during the year	20,00,00,000	20,000.00
At 31st March 2021	20,00,00,000	20,000.00
Add: Increased during the year	-	-
At 31st March 2022	20,00,00,000	20,000.00

(b) Issued capital

Particulars	No. of Shares	Amount
At 1st April 2020	19,38,00,800	19,380.08
Add: Increased during the year	-	-
At 31st March 2021	19,38,00,800	19,380.08
Add: Increased during the year	-	-
At 31st March 2022	19,38,00,800	19,380.08

(c) Subscribed and Fully Paid Up Capital

Particulars	No. of Shares	Amount
At 1st April 2020	19,37,05,560	19,370.56
Add: Increased during the year	-	-
At 31st March 2021	19,37,05,560	19,370.56
Add: Increased during the year	-	-
At 31st March 2022	19,37,05,560	19,370.56

(d) Terms/ rights attached to equity shares :

The Group has only one class of shares namely equity shares having a face value of INR 10. Each holder of equity share is entitled to one vote per share. All shares rank pari passu with regard to dividend and repayment of capital. In the event of liquidation of Company, the holder of equity shares will be entitled to receive any of the remaining assets of the Group, after distribution of all preferential amounts.

(e) Shareholder's having more than 5% equity shareholding in the Group

Particulars	As at 31st March 2022	As at 31st March 2021
	No. of shares and % of holding	
Mr. Thomas John Muthoot *	5,14,56,049 - 26.56%	5,08,43,764 - 26.25%
Mr. Thomas George Muthoot *	5,14,56,021 - 26.56%	5,08,43,764 - 26.25%
Mr. Thomas Muthoot *	5,14,56,053 - 26.56%	5,08,43,769 - 26.25%
Ms. Preethi John Muthoot	1,29,13,704 - 6.67%	1,35,25,989 - 6.98%
Ms. Nina George	1,29,13,704 - 6.67%	1,35,25,961 - 6.98%
Ms. Remy Thomas	1,29,13,704 - 6.67%	1,35,25,988 - 6.98%

** Shares held by the promoters and their shareholding % of holding at the end of the year*

24 Other Equity

Particulars	As at 31st March 2022	As at 31st March 2021
Securities Premium	38,129.85	38,129.85
Statutory Reserve (Pursuant to Section 45-IC of the RBI Act 1934)	63,830.95	55,945.97
Statutory Reserve (Pursuant to Section 29C of the NHB Act 1987)	2,068.56	1,668.56
Retained Earnings	1,91,489.84	1,50,180.30
General Reserve	54.60	21.42
Employee stock options outstanding	296.38	229.36
Other Comprehensive income	3,538.78	1,387.08
Total	**2,99,408.97**	**2,47,562.54**

24.1. Nature and purpose of reserve

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

Statutory Reserve (Pursuant to Section 45-IC of the RBI Act 1934)
Statutory Reserve represents the Reserve Fund created under Section 45-IC of the Reserve Bank of India Act, 1934 and Section 29C of the National Housing Bank Act, 1987 read with Section 36(1)(viii) of the Income Tax Act, 1961. Accordingly, an amount representing 20% of Profit for the period is transferred to the Reserve for the year.

Statutory Reserve (Pursuant to Section 29C of the NHB Act 1987)
Statutory reserve is created in terms of Section 29C of the National Housing Bank Act, 1987 read with Section 36(1)(viii) of the Income Tax Act, 1961.

Employee stock options outstanding
The account is used to recognise the grant date value of options issued to employees under Employee stock option plan and adjusted as and when such options are exercised or otherwise expire.

Other comprehensive income
Changes in the fair value of loan assets held with the business objective of collect and sell are recognised in other comprehensive income. These changes are accumulated within the FVOCI debt investments reserve within equity. The company transfers amounts from this reserve to the statement of profit and loss when the loan assets are sold. Any impairment loss on such loans are reclassified immediately to the statement of profit and loss. Other comprehensive income also consists of re-measurement of net defined benefit liability and fair value changes on equity instruments measured through other comprehensive income.

General reserve
Represents the profits or losses made by the Employee Welfare Trust on account of issue or sale of treasury stock.

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

Muthoot FinCorp Limited

Notes to the Consolidated Financial Statements for the year ended 31st March 2022

(Amount in INR Lakhs, except share data and unless otherwise stated)

25 Interest Income

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
On Financial Assets measured at Amortised Cost		
Interest on Loans	3,97,471.15	3,71,677.41
Interest Income from Investments	105.35	258.66
Interest on Deposit with Banks	2,656.96	1,945.72
Other Interest Income	15.15	43.31
On Financial Assets measured at fair value through other comprehensive income		
Interest on Loans	7,610.84	3,955.09
Total	**4,07,859.45**	**3,77,880.19**

26 Net gain on fair value changes

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
(i) On trading portfolio		
- Investments	92.29	22.78
(ii) Gain on sale of loans at fair value through other comprehensive income	11,307.93	4,273.28
(iii) Loss on fair valuation of cumulative, compulsorily convertible preference shares	(213.00)	-
Total Net gain/(loss) on fair value changes	**11,187.22**	**4,296.06**
Fair Value changes:		
- Realised	11,413.51	4,349.96
- Unrealised	(226.30)	(53.91)
Total	**11,187.22**	**4,296.06**

27 Others

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
Income from Money transfer	720.64	636.70
Income From Forex operations	193.22	118.34
Income From Power generation	920.85	974.21
Income from Investment	2,056.24	2,033.86
Income from Software support service	177.87	179.26
Bad debt recovered	711.69	1,012.70
Other financial services	467.07	282.71
Other income	339.24	214.19
Total	**5,586.82**	**5,451.99**

28 Other Income

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
Non-operating income	158.05	90.79
Total	**158.05**	**90.79**

29 Finance Costs

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
Interest on borrowings	1,19,843.32	1,32,197.89
Interest on debt securities	50,468.07	32,124.79
Interest on lease liabilities	6,901.55	5,311.40
Interest on subordinate liablities	22,250.56	29,654.19
Dividend on CCCPS	1,050.00	-
Other charges	6,893.51	6,875.51
Total	**2,07,407.01**	**2,06,163.78**

30 Impairment of Financial Instruments

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
At Amortised Cost		
Loans- at amortised cost	8,571.18	3,897.17
Impairment on loan commitments	4.57	(1.98)
Impairment on other receivables	-	4.22
Loans written off / waived off	10,486.17	15,085.19
Total	**19,061.92**	**18,984.61**

31 Employee Benefits

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
Salaries and Wages	72,932.58	61,861.66
Contributions to Provident and Other Funds	4,976.30	4,056.41
Incentives	1,738.93	1,493.70
Bonus & Exgratia	1,793.85	1,602.64
Gratuity & Leave encashment	462.47	470.86
Share based payments	131.72	127.02
Staff Welfare Expenses	876.57	2,047.34
Total	**82,912.42**	**71,659.64**

32 Depreciation expense

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
Depreciation of Tangible Assets	6,574.74	7,735.74
Depreciation of Right of Use Assets	16,371.61	16,640.47
Amortization of Intangible Assets	637.49	581.03
Total	**23,583.84**	**24,957.25**

33 Other Expenses

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
Advertisement and publicity	8,463.77	7,801.24
AMC Charges	71.44	71.98
Auditor's fees and expenses	123.39	114.29
Communication costs	11,182.33	3,833.43
Director's fees, allowances and expenses	559.71	152.06
Donations & CSR Expenses	542.55	1,073.31
Impairment on assets held for sale	138.38	42.68
Insurance	1,162.31	688.21
Legal & Professional Charges	3,534.15	3,159.76
Office Expenses	360.05	285.09
Other Expenditure	1,287.78	1,150.11
Printing and Stationery	1,230.05	1,028.11
Rent, taxes and energy costs	4,511.35	4,405.54
Repairs and maintainence	2,529.28	2,817.70
Security Charges	4,679.24	4,332.83
Software Licence and Subscription charges	611.46	434.02
Software Development Expenses	142.29	122.78
Travelling and Conveyance	4,272.37	2,805.06
Water Charges	16.28	18.71
Total	**45,418.18**	**34,336.90**

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(a) Auditors Remuneration

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
As auditor		
Statutory Audit fees	112.00	104.00
Limited review fees	14.00	12.00
Tax Audit fees	9.00	8.00
For other services		
Certification and other matters	9.73	10.88
For reimbursement of expenses		
Out of pocket expenses	2.00	1.00
Total	**146.73**	**135.88**

Above figures are exclusive of GST/Service Tax

(b) CSR Expenditure

As required under Section 135 of the Companies Act, 2013, the Group was required to spend INR 942.28 in the reporting year in pursuance of its Corporate Social Responsibility Policy, being two per cent of the average net profits made during the three immediately preceding financial years. The Group has during the year, spent a total of INR 515.51 towards CSR expenditure. The unspent portions have been transferred to the designated bank account for Unspent Corporate Social Responsibility by the Group.

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
(a) Amount required to be spent by the Group during the year	942.28	777.03
(b)Amount of expenditure incurred	515.51	1,135.40
(c) Shortfall at the end of the year	426.77	-
(d) Total of previous year shortfall	-	242.86
(e) Reason for shortfall	Major portion of the funds was allocated for the Sports Infrastructure project at Palakkad. Due to COVID situations, the process of getting work permit has gotten delayed and is awaited from the concerned Department. The Smile Please mission-Gulbarga & another partnership project in Rajasthan also got delayed due to the COVID third wave and Omicron challenges.	N/A

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
(f) Nature of CSR activities	CSR activities were undertaken in the fields of Health, Education & Livelihood.	CSR activities were undertaken in the fields of Health, Education & Livelihood.
(g) Details of related party trasactions	N/A	N/A
(h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	N/A	N/A

(c) The Group has not made any political contributions during the year ended 31st March 2022 (Year ended 31st March 2021 : 35.00).

34 Earnings Per Share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Parent Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of Parent Company (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
Net profit attributable to ordinary equity holders of the parent	39,170.72	39,021.05
Weighted average number of equity shares for basic earnings per share	19,37,05,560	19,37,05,560
Effect of dilution	60,96,643	-
Weighted average number of equity shares for diluted earnings per share	19,98,02,203	19,37,05,560
Earnings per share		
Basic earnings per share (INR)	20.22	20.14
Diluted earnings per share (INR)	19.60	20.14

(Amount in INR Lakhs, except share data and unless otherwise stated)

35 Income Tax

The components of income tax expense for the year ended March 31st 2022 and year ended March 31st 2021 are:

Particulars	**For the Year Ended 31st March 2022**	**For the Year Ended 31st March 2021**
Current tax	16,820.60	17,865.05
Deferred tax relating to origination and reversal of temporary differences	(2,389.50)	(4,310.55)
MAT Credit Entitlement	-	(36.26)
Income tax expense reported in statement of profit and loss	**14,431.10**	**13,518.24**
OCI Section		
Deferred tax related to items recognised in OCI during the period:		
Net gain / (loss) on equity instruments measured through other comprehensive income	16.25	(240.82)
Remeasurement of loan assets	(1,130.45)	799.15
Remeasurement of the defined benefit liabilities	(4.61)	38.23
Income tax charged to OCI	**(1,118.82)**	**596.55**

Reconciliation of the total tax charge:

The tax charge shown in the statement of profit and loss differ from the tax charge that would apply if all the profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31st 2022 and year ended March 31st 2021 is as follows:

Particulars	**For the Year Ended 31st March 2022**	**For the Year Ended 31st March 2021**
Accounting profit before tax	55,686.22	53,246.37
At India's statutory income tax rate of 25.168%* (2021: 25.168%)	**14,015.11**	**13,401.05**
Tax effects of adjustments		
Non deductible items	409.43	140.45
Exempted Income	-	(5.68)
Deduction under Chapter VIA of the Income Tax Act	-	(20.33)
Others	6.57	2.76
Income tax expense reported in the statement of profit or loss	**14,431.10**	**13,518.24**
Effective Income Tax Rate	**25.92%**	**25.39%**

(Amount in INR Lakhs, except share data and unless otherwise stated)

Income Tax (contd…)

Movement in deferred tax assets/(liabilities)

Particulars	As ot 31st March 2020	Recognised in Statement of Profit and Loss	Recognised in Statement of other comprehensive income	Adjusted to Retained Earnings / Other Comprehensive Income	As at 31st March 2021
Deductible temporary difference on account of depreciation and amortisation	2,210.73	487.86	-	-	2,698.60
Bonus disallowed due to non-payment	322.55	40.44	-	-	363.00
Provision for employee benefits	402.17	40.53	17.67	-	460.37
Provision for Investment Rate Fluctuation	57.48	-	-	-	57.48
Expected credit loss provision on financial assets	6,850.22	731.73	-	-	7,581.95
Financial assets measured at amortised cost	1,466.21	(386.80)	-	-	1,079.40
Fair Valuation of Financial Assets	247.47	1,059.41	(240.75)	-	1,066.14
Financial liabilities measured at amortised cost	(286.06)	(397.60)	-	-	(683.66)
Direct assignment transactions	(7,713.52)	2,445.24	799.15	-	(4,469.12)
Special reserve	(268.02)	(75.50)	-	-	(343.52)
EIS receivable	(366.70)	77.24	-	-	(289.46)
Fair value of future lease obligations in accordance with Ind AS 116	132.35	106.27	-	-	238.63
Other items giving rise to temporary differences	172.57	125.75	20.48	-	318.79
Minimum Alternate tax credit entitlement	56.61	36.26	-	-	92.88
Carry Forward Losses and Unabsorbed Depreciation	26.83	55.98	-	-	82.81
Reversal of Previous Years	(257.67)	-	-	(0.19)	(257.86)
Reversal on account of Tax rate change	(3,266.63)	-	-	-	(3,266.63)
Round Off Adjustment	0.08	-	-	-	0.08
Total	**(213.33)**	**4,346.81**	**596.55**	**(0.19)**	**4,729.86**

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Particulars	As at 31st March 2021	Recognised in Statement of Profit and Loss	Recognised in Statement of other comprehensive income	Adjusted to Retained Earnings / Other Comprehensive Income	As at 31st March 2022
Deductible temporary difference on account of depreciation and amortisation	2,698.60	384.42	-	-	3,083.02
Bonus disallowed due to non-payment	363.00	113.57	-	-	476.56
Provision for employee benefits	460.37	(314.88)	(47.70)	-	97.78
Provision for Investment Rate Fluctuation	57.48	-	-	-	57.48
Expected credit loss provision on financial assets	7,581.95	1,503.84	-	-	9,085.80
Financial assets measured at amortised cost	1,079.40	116.26	-	-	1,195.67
Fair Valuation of Financial Assets	1,066.14	902.04	16.20	-	1,984.38
Financial liabilities measured at amortised cost	(683.66)	(702.52)	-	-	(1,386.18)
Financial liabilities measured at fair value	-	53.61	-	-	53.61
Direct assignment transactions	(4,469.12)	(67.27)	(1,130.45)	-	(5,666.84)
Special reserve	(343.52)	(100.67)	-	-	(444.19)
EIS receivable	(289.46)	82.83	-	-	(206.63)
Fair value of future lease obligations in accordance with Ind AS 116	238.63	89.17	-	-	327.79
Other items giving rise to temporary differences	318.79	329.09	43.14	-	691.02
Minimum Alternate tax credit entitlement	92.88	-	-	(36.26)	56.62
Carry Forward Losses and Unabsorbed Depreciation	82.81	-	-	-	82.81
Reversal of Previous Years	(257.86)	-	-	-	(257.86)
Reversal on account of Tax rate change	(3,266.63)	-	-	-	(3,266.63)
Round Off Adjustment	0.08	-	-	-	0.08
Total	**4,729.86**	**2,389.50**	**(1,118.82)**	**(36.26)**	**5,964.28**

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(Amount in INR Lakhs, except share data and unless otherwise stated)

36 Retirement Benefit Plan

Defined Contribution Plan

The Group makes contributions to Provident Fund & Employee State Insurance which are defined contribution plans for qualifying employees. The amounts recognized for the aforesaid contributions in the statement of profit and loss are shown below:

Particulars	As at 31st March, 2022	As at 31st March, 2021
Contributions to Provident Fund	3,883.35	3,057.28
Contributions to Employee State Insurance	1,057.38	967.74
Defined Contribution Plan	**4,940.73**	**4,025.02**

Defined Benefit Plan

The Group has a defined benifit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on leaving the service of the Group at 15 days salary (last drawn salary) for each completed year of service.

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.

Particulars	As at 31st March, 2022	As at 31st March, 2021
Present value of funded obligations	4,322.66	3,757.45
Fair value of planned assets	3,629.98	1,570.27
Defined Benefit obligation/(asset)	**692.68**	**2,187.18**

Post employment defined benefit plan

Net benefit expense recognised in statement of profit and loss	As at 31st March, 2022	As at 31st March, 2021
Current service cost	732.36	655.79
Net Interest on net defined benefit liablity/ (asset)	139.67	141.80
Net benefit expense	**872.04**	**797.59**

Balance Sheet

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

Particulars	As at 31st March, 2022	As at 31st March, 2021
Defined benefit obligation at the beginning of the year	3,757.45	3,088.30
Current service cost	732.36	655.79
Interest cost on benefit obligations	237.70	203.48
Actuarial (Gain) / Loss on Total Liabilities	36.19	131.07
Benefits paid	(441.05)	(321.19)
Benefit obligation at the end of the year	**4,322.66**	**3,757.45**

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

Particulars	**As at 31st March, 2022**	**As at 31st March, 2021**
Fair value of plan assets at the beginning of the year	1,570.65	960.55
Actual Return on Plan Assets	152.56	40.49
Employer contributions	2,342.96	889.00
Benefits paid	(436.18)	(319.77)
Fair value of plan assets as at the end of the year	**3,629.99**	**1,570.27**

Remeasurement gain/ (loss) in other comprehensive income (OCI)	**As at 31st March, 2022**	**As at 31st March, 2021**
Actuarial changes arising from changes in financial assumptions	84.02	24.27
Experience adjustments	(187.95)	(32.84)
Return on Plan assets, excluding amount included in net interest on the net defined benefit liablity/(asset)	122.27	(143.32)
Actuarial (gain) / loss (through OCI)	**18.34**	**(151.89)**

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

Particulars	**As at 31st March, 2022**	**As at 31st March, 2021**
Salary Growth Rate	0 % to 10%	0 % to 10%
Discount Rate	4.25 % to 5.79%	4.25 % to 5.79%
Withdrawal Rate	5 % to 23%	5 % to 23%
Mortality	100% of IALM 2006-2008	100% of IALM 2006-2008
Interest rate on net DBO	4.25 % to 5.79%	4.25 % to 5.79%
Expected average remaining working life	2 Yrs to 33.08Yrs	2 Yrs to 33.08Yrs

Investments quoted in active markets:

Particulars	**As at 31st March, 2022**	**As at 31st March, 2021**
Equity instruments	-	-
Debt instruments	-	-
Real estate	-	-
Derivatives	-	-
Investment Funds with Insurance Group	0 - 100%	0 - 100%
Of which, Unit Linked	-	-
Of which, Traditional/ Non-Unit Linked	0 - 100%	0 - 100%
Asset-backed securities	-	-
Structured debt	-	-
Cash and cash equivalents	-	-
Total	0-100%	0-100%

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A quantitative sensitivity analysis for significant assumptions as at March 31, 2022 and March 31, 2021 are as shown below:

Assumptions	Sensitivity Level	As at 31st March, 2022	As at 31st March, 2021
Discount Rate	Increase by 1%	4,090.48	3,513.37
Discount Rate	Decrease by 1%	4,617.29	4,041.13
Further Salary Increase	Increase by 1%	4,645.79	4,065.77
Further Salary Increase	Decrease by 1%	4,034.70	3,496.12
Employee turnover	Increase by 1%	4,366.69	3,786.72
Employee turnover	Decrease by 1%	4,271.16	3,730.03
Mortality Rate	Increase in expected lifetime by 1 year	4,353.86	3,824.36
Mortality Rate	Increase in expected lifetime by 3 years	4,263.10	3,802.73

1. The weighted average duration of the defined benefit obligation as at 31st March 2022 is 5 to 10 years (2021: 5 to 10 years).
2. Gratuity liability is funded through a Gratuity Fund managed by Life Insurance Corporation of India Ltd.
3. 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.
4. The principal assumptions used in determining leave encashment obligations for the Company's plans are shown below:

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

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

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(Amount in INR Lakhs, except share data and unless otherwise stated)

37 Maturity analysis of assets and liabilities

Particulars	As at 31st March, 2022			As at 31st March, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	3,15,233.84	-	3,15,233.84	98,979.83	-	98,979.83
Bank Balance other than above	30,453.94	11,164.76	41,618.70	28,312.26	11,875.00	40,187.25
Trade receivables	4,235.12	-	4,235.12	2,748.83	-	2,748.83
Loans	19,62,017.72	3,04,475.05	22,66,492.77	20,41,181.24	2,49,446.22	22,90,627.47
Investments	6,187.95	4,084.76	10,272.71	3,252.48	3,307.99	6,560.46
Other financial assets	4,691.06	9,574.07	14,265.13	11,765.92	9,231.33	20,997.25
Non-financial Assets						
Current tax assets (net)	2,997.82	4,199.84	7,197.66	713.37	1,264.24	1,977.61
Deferred tax assets (net)	-	9,959.42	9,959.42	-	4,963.43	4,963.43
Investment Property	-	30,236.55	30,236.55	-	30,236.55	30,236.55
Property, plant and equipment	-	43,392.79	43,392.79	-	45,543.44	45,543.44
Intangible assets under development	-	-	-	-	114.45	114.45
Other intangible assets	-	1,953.04	1,953.04	-	1,891.73	1,891.73
Right-of-use assets	9,896.03	56,362.54	66,258.57	11,320.80	39,515.90	50,836.70
Other non financial assets	6,697.03	24,420.65	31,117.68	32,273.92	515.35	32,789.27
Total assets	**23,42,410.50**	**4,99,823.47**	**28,42,233.97**	**22,30,548.64**	**3,97,905.63**	**26,28,454.26**
Liabilities						
Financial Liabilities						
Trade payables	343.69	-	343.69	272.51	-	272.51
Other Payables	5,727.01	31.49	5,758.50	2,147.06	-	2,147.06
Debt Securities	1,59,738.41	2,87,602.62	4,47,341.02	2,16,246.35	2,66,584.76	4,82,831.10
Borrowings (other than debt security)	11,66,704.17	4,34,387.87	16,01,092.04	11,18,280.85	3,38,240.32	14,56,521.18
Lease Liability	15,524.02	58,709.09	74,233.12	10,450.39	45,548.17	55,998.56
Subordinated Liabilities	45,996.80	1,95,029.58	2,41,026.38	56,901.59	1,95,106.74	2,52,008.33
Other Financial liabilities	52,095.53	39,667.21	91,762.74	42,561.80	27,768.27	70,330.07
Non-financial Liabilities						
Current tax liabilities (net)	58.26	-	58.26	-	-	-
Provisions	303.70	886.86	1,190.56	249.61	2,476.58	2,726.19
Deferred tax liabilities (net)	-	3,995.14	3,995.14	-	233.57	233.57
Other non-financial liabilities	2,316.47	-	2,316.47	1,915.66	-	1,915.66
Total Liabilities	**14,48,808.06**	**10,20,309.85**	**24,69,117.91**	**14,49,025.81**	**8,75,958.41**	**23,24,984.22**
Net	**8,93,602.44**	**(5,20,486.38)**	**3,73,116.06**	**7,81,522.82**	**(4,78,052.78)**	**3,03,470.04**

38 Contingent Liabilities (to the extent not provided for)

Particulars	As at 31st March 2022	As at 31st March 2021
(i) Contingent Liabilities		
(i) Income Tax Demands	3,419.85	6,334.02
(ii) Service Tax Demands	5,106.18	5,106.18
(iii) Value Added Tax Demands	1,327.12	1,432.70
(iv) Bank Guarantees	36.90	36.69
(v) Claims not acknowledged as debt in view of counter claims raised	917.78	-
(vi) Cash Margin on Securitisation	2,053.40	9,327.10

(vii) Some of the branches of the Company had received notices under the Kerala Money Lenders Act, 1958, for registration, which was challenged by the Company before the Hon'ble Supreme Court. The Apex Court has allowed the appeals filed by NBFCs including the Company, vide its judgement dated May 10, 2022 ruling that state level money lending enactments shall have no application to NBFCs registered under the RBI and regulated by the RBI. In view of the said ruling of the Supreme Court, the contingency with respect to the Kerala Money Lenders Act ceases to exist.

(viii) The Company has filed a Writ Petition before the Honourable High Court of Madras on 30th July, 2019 challenging the Order passed by the Income Tax Settlement Commission, Chennai Bench abating the proceedings before it relating to the Settlement Application filed by the Company dated December 17, 2017 ("Settlement Application"); and praying for stay on proceedings initiated by the Joint Commissioner of Income Tax (OSD), Central Circle, Thiruvananthapuram post abatement of proceedings by the Settlement Commission. The tax and interest due on the issues forming part of the Settlement Application totaled to ₹7,406 lakh. The Settlement Application related to notices received under Section 147 of the Income Tax Act, as per which the income chargeable to tax for the Financial Years 2011-12 to 2016-17 of MFL had escaped assessment, and Section 153A of the Income Tax Act, as per which MFL was required to prepare true and correct return of which MFL was assessable for the Assessment Years 2011-2012 to 2016-2017. The proceedings before the High Court of Madras is currently pending.

(ix) Other commitments

Loan commitment in respect of partly disbursed loans is INR 4,419.14 (31 March 2021 : INR 4,019.10).

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39 Related Party Disclosures

Names of Related parties with whom transaction has taken place

(A) Subsidiaries

Muthoot Microfin Limited
Muthoot Housing Finance Company Limited
Muthoot Pappachan Technologies Private Limited

(B) Key Management Personnel	**Designation**
Thomas John Muthoot	Managing Director
Thomas George Muthoot	Director
Thomas Muthoot	Wholetime Director Cum Chief Financial Officer
Preethi John Muthoot	Additional Director
Kurian Peter Arattukulam	Director
Vikraman Ampalakkat	Director
Thuruthiyil Devassia Mathai	Company Secretary

(C) Enterprises owned or significantly influenced by key management personnel or their relatives

MPG Hotels and Infrastructure Ventures Private Limited
Muthoot Automotive (India) Private Limited
Muthoot Automobile Solutions Private Limited
Muthoot Capital Services Limited
Muthoot Motors Private Limited
Muthoot Risk Insurance and Broking Services Private Limited
Muthoot Pappachan Chits (India) Private Limited
Muthoot Exim Private Limited
Muthoot Kuries Private Limited
MPG Security Group Private Limited
Muthoot Estate Investments
Muthoot Motors (Cochin)
Muthoot Pappachan Foundation
M-Liga Sports Excellence Private Limited
Thinking Machine Media Private Limited
Muthoot Hotels Private Limited

(D) Relatives of Key Management Personnel

Janamma Thomas
Nina George
Remmy Thomas
Thomas M John
Suzannah Muthoot
Hannah Muthoot
Tina Suzanne George
Ritu Elizabeth George
Shweta Ann George

(E) Other Related Parties

Speckle Internet Solutions Private Limited

Related Party transactions during the year:

Particulars	Key Management Personnel & Directors		Relatives of Key Management Personnel		Entities over which Key Management Personnel and their relatives are able to exercise significant influence	
	Year Ended 31st March 2022	Year Ended 31st March 2021	Year Ended 31st March 2022	Year Ended 31st March 2021	Year Ended 31st March 2022	Year Ended 31st March 2021
Revenue						
Auction of Gold Ornaments	-	-	-	-	6,104.86	1,270.97
Commission Received	-	-	-	-	1,225.44	1,014.52
Delayed Interest	-	-	-	-	-	3.58
Processing Fee received	-	-	-	-	-	0.73
Rent received	-	-	-	-	286.39	276.24
Revenue from Travel Services	1.59	-	-	-	10.10	5.56
Interest accrued on loans & advances	2,388.00	2,388.00	-	-	29.66	30.15
Sale of Used Assets	-	-	-	-	0.03	-
Professional Charges-IT support	-	-	-	-	177.87	179.26
Expense						
Commission Paid	500.00	132.00	-	-	17.09	47.87
Interest paid	531.66	479.36	78.74	62.97	336.22	449.75
Hotel Service payments	-	-	-	-	28.31	32.93
Professional & Consultancy Charges	-	-	-	-	2,104.14	2,092.00
Purchase of Gold Coins	-	-	-	-	90.77	16.86
Reimbursement of Expenses	-	-	-	-	(20.46)	(81.77)
Rent paid	174.90	168.35	-	-	17.51	15.17
Remuneration Paid	5,039.60	2,196.94	41.00	23.49	-	-
Sitting Fee paid	13.50	7.50	-	-	-	-
Incentive paid	-	-	-	-	-	24.27
Processing fee paid	-	-	-	-	-	19.50
Marketing Expense	-	-	-	-	-	1.08
Collection Charges	-	-	-	-	-	12.98
Trademark fee	6.00	-	-	-	-	-
Repairs and maintenance	-	-	-	-	1.89	19.46
Asset						
Advance for CSR Activities	-	-	-	-	523.31	1,027.29
Investment made in Equity	-	-	-	-	200.00	18.00
Loans Advanced	-	-	-	-	-	290.00
Loan repayments received	-	-	-	-	(290.00)	(239.64)
Purchase of Vehicle	-	-	-	-	10.74	-
Refund received against advance for property	-	-	-	-	(3,000.00)	-

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Related Party transactions during the year (contd.):

Particulars	Key Management Personnel & Directors		Relatives of Key Management Personnel		Entities over which Key Management Personnel and their relatives are able to exercise significant influence	
	Year Ended 31st March 2022	Year Ended 31st March 2021	Year Ended 31st March 2022	Year Ended 31st March 2021	Year Ended 31st March 2022	Year Ended 31st March 2021
Liability						
Advance received towards Owners share	-	-	-	-	432.15	241.00
Investment in Debt Instruments	-	260.30	0.50	175.50	1.00	-
Redemption of Investment in Debt Securities	-	-	(1.14)	(156.00)	-	-
Security Deposit Accepted	-	-	-	-	141.44	55.48
Security Deposit Repaid	-	-	-	-	(167.13)	(40.26)
Loan Availed	-	-	-	-	60.00	3,200.00
Loan Repaid	-	-	-	-	(1,400.00)	(1,000.00)
Dividend Paid	10,036.91	-	1,549.71	-	35.72	-

Balance outstanding as at the year end:

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Entities over which Key Management Personnel and their relatives are able to exercise significant influence	
	Year Ended 31st March 2022	Year Ended 31st March 2021	Year Ended 31st March 2022	Year Ended 31st March 2021	Year Ended 31st March 2022	Year Ended 31st March 2021
Asset						
Advance for CSR Activities	-	-	-	-	8.05	-
Advance for Property/Shares	1,588.53	1,588.53	133.87	133.87	24,277.77	27,277.77
Advance received towards Owners share	-	-	-	-	903.13	221.01
Commission Receivable	-	-	-	-	73.67	25.05
Expense Reimbursements Receivable	-	-	-	-	1.48	0.86
Interest on Loan Receivable	61.55	61.55	-	-	-	3.71
Loans Advanced	19,900.00	19,900.00	-	-	693.33	290.00
Rent Receivable	-	-	-	-	12.40	8.33
Travel Service Receivables	0.79	1.12	-	-	4.06	2.09
Security Deposit advanced	3.58	3.58	-	-	-	-
Debtors	-	-	-	-	8.33	27.01
Investment in Equity Outstanding	-	-	-	-	226.00	26.00
Liability						
Collection balance payable	-	-	-	-	0.22	6.93
Commission Payable	-	-	-	-	0.27	2.33
Interest Payable	83.00	218.89	54.22	21.66	13.93	16.05
Rent Payable	6.66	6.27	-	-	0.92	0.90
Investment in Debt Instruments	267.30	267.30	332.33	332.97	107.53	51.40
PDI issued	3,845.00	3,845.00	355.00	355.00	1,025.00	3,015.00
Professional & Consultancy Charges payable	-	-	-	-	0.12	53.69
Security Deposit received	-	-	-	-	31.94	57.63
Loan outstanding	400.09	400.09	-	-	-	2,033.33
Expense Payable	1.08	-	-	-	4.15	3.18

Note

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

Compensation of key management personnel of the Company:

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

Particulars	Year Ended 31st March 2022	Year Ended 31st March 2021
Short–term employee benefits	5,053.10	2,204.44
Post-employment benefits	-	-
Total compensation paid to key managerial personnel	**5,053.10**	**2,204.44**

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(Amount in INR Lakhs, except share data and unless otherwise stated)

40 Fair Value Measurement

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 (i.e., an exit price), 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.

Fair Value Hierarchy of assets and liabilities

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy as at 31st March 2022:

Particulars	At FVTPL			
	Level-1	Level-2	Level-3	Total
Financial Assets				
Investment in JM Financial India Fund II	156.37	-	-	156.37
Investment in Strugence Debt Fund	997.48	-	-	997.48
Investment in BPEA India Credit - Trust II	514.24	-	-	514.24
Investments in Mutual Fund	4,076.39	-	-	4,076.39
Financial Liabilities				
Cumulative Compulsorily Convertible Preference Shares (CCCPS)	-	-	15,213.00	15,213.00

Particulars	At FVTOCI			
	Level-1	Level-2	Level-3	Total
Financial Assets				
Investment in Muthoot Pappachan Chits Private Limited	-	15.14	-	15.14
Investment in Avenues India Private Limited	-	477.67	-	477.67
Investment in Fair Asset Technologies (P) Limited	-	719.85	-	719.85
Investment In The Thinking Machine Media Private Limited	-	18.00	-	18.00
Investment In Speckle Internet Solutions Private Limited	-	198.10	-	198.10
Investment in Equity Shares (DP account with Motilal Oswal)	1,646.32	-	-	1,646.32
Investment in PMS - Motilal Oswal	465.24	-	-	465.24
Loans	-	-	2,06,894.06	2,06,894.06

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy as at 31st March 2021:

Particulars	At FVTPL			
	Level-1	Level-2	Level-3	Total
Financial Assets				
Investment in JM Financial India Fund II	106.90	-	-	106.90
Investments in Mutual Fund	290.02	-	-	290.02

Particulars	At FVTOCI			
	Level-1	Level-2	Level-3	Total
Financial Assets				
Investment in Muthoot Pappachan Chits Private Limited	-	6.52	-	6.52
Investment in Avenues India Private Limited	-	477.48	-	477.48
Investment in Fair Asset Technologies (P) Limited	-	703.59	-	703.59
Investment in Algiz Consultancy Services Private Limited	-	-	-	-
Investment In The Thinking Machine Media Private Limited	-	18.00	-	18.00
Investment in Equity Shares (DP account with Motilal Oswal)	1,038.94	-	-	1,038.94
Investment in PMS - Motilal Oswal	631.11	-	-	631.11
Loans	-	-	98,346.00	98,346.00

The fair value of financial instruments as referred to above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:
Level 1: Quoted prices (unadjusted) for identical instruments in an active market;
Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and
Level 3: Inputs which are not based on observable market data (unobservable inputs).

Fair value technique

Investments at fair value
The equity instruments which are actively traded on public stock exchanges with readily available active prices on a regular basis are classified as Level 1. Units held in mutual funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions are generally Level 1. Equity instruments in non-listed entities are initially recognised at transaction price and re-measured as per fair valuation report and valued on a case-by-case has been classified as Level 2.

Investment at fair value through profit and loss
For investment at fair value through profit and loss, valuation are done using quoted prices from active markets or on published Net Asset Values of the investment at the measurement date or at the nearest available date.

Financial Liabilities with significant unobservable inputs (Level 3)
This level of hierarchy includes financial liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data, this level of hierarchy includes cumulative compulsory convertible preference shares.
The fair value of the CCCPS is measured using the Monte Carlo Simulation technique. The Monte Carlo Simulation Method is one where a risk-neutral framework is used to simulate a range of simulated values, representing all the potential paths a variable could move over the period of the simulation. The inputs to this model are taken from observable market where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Significant unobservable inputs	As at March 31, 2022		As at March 31, 2021	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Discount Rate of CCCPS Coversion Feature	(511.25)	531.08	-	-
Discount for Lack of Marketability	(234.05)	234.05	-	-

Loan assets carried at fair value through other comprehensive income

Loan receivables valuation is carried out for two portfolios segregated on the basis of repayment frequency – monthly and weekly. The valuation of each portfolio is done by discounting the aggregate future cash flows with risk-adjusted discounting rate for the remaining portfolio tenor.

Following inputs have been used to calculate the fair value of loans receivables:

(i) Future cash flows: Include principal receivable, interest receivable and tenor information based on the repayment schedule agreed with the borrowers. Inputs include:

(ii) Risk-adjusted discount rate:

This rate has been arrived using the cost of funds approach.

The following inputs have been used:
(i) Cost of funds
(ii) Credit spread of borrowers
(iii) Servicing Cost of a financial asset
(iv) Discount rate

Loan portfolio	Fair valuation as at March 31, 2022	Fair valuation as at March 31, 2021
Monthly	1,46,330.73	64,996.63
Weekly	65,938.08	33,848.44
Total	**2,12,268.82**	**98,845.07**

Fair value measurement of Financial Assets sensitivity to significant unobservable inputs as at the end of each reporting period is as follows:

Particulars	Fair valuation as at March 31, 2022	Fair valuation as at March 31, 2021
Impact on fair value if change in risk adjusted discount rate		
- Impact due to increase of 0.50 %	(916.00)	(406.50)
- Impact due to decrease of 0.50 %	922.00	408.90
Impact on fair value if change in probability of default (PD)		
- Impact due to increase of 0.50 %	(316.00)	(135.80)
- Impact due to decrease of 0.50 %	317.00	136.10
Impact on fair value if change in loss given default (LGD)		
- Impact due to increase of 0.50 %	(89.00)	(41.30)
- Impact due to decrease of 0.50 %	89.00	41.40

Reconciliation

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

Particulars	As at 31st March 2022		As at 31st March 2021	
	Loan assets	Preference Shares other than those that qualify as Equity	Loan assets	Preference Shares other than those that qualify as Equity
Opening balance	98,845.07	-	2,04,018.92	-
Loan originated / Preference shares issued	2,06,558.91	15,000.00	54,691.20	-
Sales/derecognition	(32,655.95)	-	(76,599.32)	-
Total gain and losses	-	-		
in profit and loss	-	-	-	-
in OCI	4,491.27	213.00	(3,174.60)	-
Settlements / conversion	(64,970.47)	-	(80,091.13)	-
Closing balance	**2,12,268.82**	**15,213.00**	**98,845.07**	**-**

(Amount in INR Lakhs, except share data and unless otherwise stated)

Fair Value Measurement (contd…)

Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

Particulars	Level	Carrying Value		Fair Value	
		As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Financial assets					
Cash and cash equivalents	1	3,15,233.84	98,979.83	3,15,233.84	98,979.83
Bank Balance other than above	1	41,618.70	40,187.25	41,618.70	40,187.25
Trade receivables	3	4,235.12	2,748.83	4,235.12	2,748.83
Loans	3	20,59,598.71	21,92,281.46	20,59,598.71	21,92,281.46
Investments - at amortised cost	3	987.91	1,287.91	987.91	1,287.91
Other Financial assets	3	14,265.13	20,997.25	14,265.13	20,997.25
Financial assets		**24,35,939.41**	**23,56,482.53**	**24,35,939.41**	**23,56,482.53**
Financial Liabilities					
Payable	3	6,102.19	2,419.57	6,102.19	2,419.57
Debt securities	3	4,47,341.02	4,82,831.10	4,47,341.02	4,82,831.10
Borrowings (other than debt securities)	3	16,01,092.04	14,56,521.18	16,01,092.04	14,56,521.18
Lease Liabilities		74,233.11	55,998.56	74,233.11	55,998.56
Subordinated liabilities	3	2,41,026.38	2,52,008.33	2,41,026.38	2,52,008.33
Other financial liabilities	3	76,549.74	70,330.07	76,549.74	70,330.07
Financial Liabilities		**24,46,344.48**	**23,20,108.79**	**24,46,344.48**	**23,20,108.79**

Valuation techniques

Short-term financial assets and liabilities

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

Loans and advances to customers

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

Fair values of portfolios are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics ie, type of loan. The Company then calculates and extrapolates the fair value to the entire portfolio using Effective interest rate model that incorporate interest rate estimates considering all significant characteristics of the loans. The credit risk is applied as a top-side adjustment based on the collective impairment model incorporating probability of defaults and loss given defaults. Hence, the carrying amount of such financial assets at amortised cost net of impairment loss allowance is of reasonable approximation of their fair value.

Financial liability at amortised cost

The fair values of financial liability held-to-maturity are estimated using a effective interest rate model based on contractual cash flows using actual yields. Since the cost of borrowing on the reporting date is not expected to be significantly different from the actual yield considered under effective interest rate model, the carrying value of financial liabilities at amortised cost is considered a reasonable approximation of their fair value.

(Amount in INR Lakhs, except share data and unless otherwise stated)

41 Segment Reporting

The Board of Directors and the Managing Director of the Company together constitute the Chief Operating Decision Maker ("CODM"). Operating segment are components of the Group whose operating results are regularly reviewed by the CODM to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Group is engaged primarily on the business of "Financing" only, taking into account the risks and returns, the organization structure and the internal reporting systems. All the operations of the Group are in India. All non-current assets of the Group are located in India. Accordingly, there are no separate reportable segments as per Ind AS 108 – "Operating Segments".

42 Change in liabilities arising from financing activities

Particulars	As at 31st March, 2021	Cash Flows	Changes in fair value (gain)/loss	Ind AS 116 - Lease Liabilities	Others	As at 31st March, 2022
Debt Securities	4,82,831.10	(35,218.61)	-	-	(271.47)	4,47,341.02
Borrowings other than debt securities	14,56,521.18	1,46,692.17	-	-	(2,121.31)	16,01,092.04
Lease Liabilities	55,998.56	(19,575.16)	-	37,809.72	-	74,233.11
Subordinated Liabilities	2,52,008.33	(9,201.75)	-	-	(1,780.20)	2,41,026.38
Total liabilities from financing activities	**22,47,359.16**	**82,696.65**	**-**	**37,809.72**	**(4,172.98)**	**23,63,692.55**

Particulars	As at 1st April, 2020	Cash Flows	Changes in fair value (gain)/loss	Ind AS 116 - Lease Liabilities	Others	As at 31st March, 2021
Debt Securities	1,09,054.22	3,75,224.21	-	-	(1,447.34)	4,82,831.10
Borrowings other than debt securities	13,28,899.61	1,26,788.46	-	-	833.11	14,56,521.18
Lease Liabilities	54,580.21	(18,139.06)	-	19,557.41	-	55,998.56
Subordinated Liabilities	2,62,660.24	(10,780.60)	-	-	128.69	2,52,008.33
Total liabilities from financing activities	**17,55,194.28**	**4,73,093.02**	**-**	**19,557.41**	**(485.55)**	**22,47,359.16**

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43 Risk Management

The Group’s principal financial liabilities comprise of borrowings and trade and other payables. The main purpose of these financial liabilities is to finance and support the Group’s operations. The Group’s principal financial assets include loans, investments, cash and cash equivalents, trade receivables and other receivables that derive directly from its operations.
As a financial lending institution, Group is exposed to various risks that are related to lending business and operating environment. The principal objective in Group's risk management processes is to measure and monitor the various risks that Group is subject to and to follow policies and procedures to address such risks.
The Groups Risk Management Committee (RMC) comprise of the Board of directors constituted in accordance with the RBI rules. The RMC has overall responsibility for overseeing the implementation of the Risk Management Policy. The committee meets on a quarterly basis to review the risk management practices and working of the risk management department. The committee is chaired by an Independent Director. Risk Management Department periodically places its report to the committee for review. The committee’s suggestions for improving the risk management practices are implemented by the Risk Management Department.
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.
The major type of risk Group faces in business are credit risk, liquidity risk, market risk and operational risk.

I) 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 major income generating activity is gold loan, housing loan, microfinance loan personal loans and others.
The Group addressess credit risk through following major processess:

- Standardize the process of identifying new risks and designing appropriate controls for these risks
- Minimize losses due to defaults or untimely payments by borrowers
- Maintain an appropriate credit administration and loan review system
- Establish metrics for portfolio monitoring
- Design appropriate credit risk mitigation techniques
- Structured and standardised credit approval process
- Verification of credit history from credit bureau agencies, personal verification of customers business and residence
- Technical and Legal Verification
- Comprehensive credit risk assessment and cash flow analysis

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.

A) Impairment Assessment

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

Definition of default and care

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

Rating	**Loans Days past due (DPD)**	**Stages**
High grade	Not yet due	Stage I
Standard grade	1-30 DPD	Stage I
Sub-standard grade	31-60 DPD	Stage II
Past due but not impaired	61-89 DPD	Stage II
Individually impaired	90 DPD or More	Stage III

Exposure at Default (EAD)

The outstanding balance as at the reporting date is considered as EAD by the Group.

Probability of default (PD)

The Probability of Default is an estimate of the likelihood of default over a given time horizon. To calculate the ECL for a Stage 1 loan, the Group assesses the possible default events within 12 months for the calculation of the 12 month ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments. The 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. PD is calculated using Incremental 90 day DPD approach considering fresh slippage using historical information.

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 31st March 2022 and 31st March 2021.

Loss Given Default (LGD)

The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Group expects to receive.

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.

When estimating ECLs on a collective basis for a group of similar assets, the Group applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Significant Increase in credit risk

The internal rating model evaluates the loans on an ongoing basis. The rating model also assesses if there has been a significant increase in credit risk since the previously assigned risk grade. One key factor that indicates significant increase in credit risk is when contractual payments are more than 30 days past due.

II) Liquidity risk

Asset Liability Management (ALM)

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, capital & retail 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.

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The table below shows the maturity pattern of the assets and liabilities:

Maturity pattern of assets and liabilities as on 31st March 2022:

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
Cash and cash equivalents	3,07,990.67	2,405.67	1,180.50	-	3,657.00	-	-	-	3,15,233.84
Bank Balance other than (a) above	6,916.52	-	697.77	9,156.46	13,683.19	11,013.08	151.68	-	41,618.70
Receivables	3,798.54	24.75	19.67	59.02	333.14	-	-	-	4,235.12
Loans	3,26,665.99	1,03,696.85	1,21,465.22	6,51,574.59	7,58,615.07	1,65,092.38	22,947.62	1,16,435.06	22,66,492.77
Investments	3,761.56	629.50	-	596.89	1,200.00	1,511.72	-	2,573.04	10,272.71
Other Financial assets	2,556.28	337.64	165.22	499.56	1,132.35	4,661.38	737.87	4,174.83	14,265.13
Total	**6,51,689.56**	**1,07,094.40**	**1,23,528.39**	**6,61,886.52**	**7,78,620.75**	**1,82,278.56**	**23,837.16**	**1,23,182.92**	**26,52,118.27**
Payables	197.39	146.30	-	-	-	-	-	-	343.69
Other Payables	5,578.53	131.15	2.32	11.75	3.26	16.98	14.51	-	5,758.50
Debt Securities	28,738.06	12,441.67	15,054.30	21,457.73	82,046.65	2,30,380.14	44,745.81	12,476.68	4,47,341.02
Borrowings (other than Debt Securities)	57,425.88	51,136.15	57,501.68	2,09,159.77	7,91,480.69	3,70,643.71	37,938.85	25,805.30	16,01,092.04
Subordinated Liabilities	5,173.45	2,746.57	2,088.25	8,396.96	27,591.58	74,996.73	40,621.54	79,411.31	2,41,026.38
Other Financial liabilities	18,585.98	2,614.18	2,000.61	6,553.14	22,341.62	32,078.45	5,991.94	1,596.82	91,762.74
Total	**1,15,699.30**	**69,216.00**	**76,647.15**	**2,45,579.36**	**9,23,463.80**	**7,08,116.00**	**1,29,312.65**	**1,19,290.11**	**23,87,324.37**

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

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
Cash and cash equivalents	97,655.94	37.68	1,286.21	-	-	-	-	-	98,979.83
Bank Balance other than (a) above	15,005.66	851.93	1,347.58	2,395.10	8,711.99	11,502.63	372.37	-	40,187.25
Receivables	2,742.91	5.92	-	-	-	-	-	-	2,748.83
Loans	5,58,324.36	2,22,144.63	2,59,826.00	7,38,694.00	2,62,192.25	1,30,308.29	18,892.76	1,00,245.17	22,90,627.47
Investments	2,952.48	-	-	-	300.00	1,111.40	1,000.00	1,196.59	6,560.46
Other Financial assets	1,991.29	102.98	396.33	906.06	8,369.25	7,502.82	343.90	1,384.61	20,997.25
Total	**6,78,672.64**	**2,23,143.14**	**2,62,856.12**	**7,41,995.16**	**2,79,573.49**	**1,50,425.14**	**20,609.03**	**1,02,826.37**	**24,60,101.09**
Payables	176.93	95.58	-	-	-	-	-	-	272.51
Other Payables	1,808.61	67.51	270.93	-	-	-	-	-	2,147.06
Debt Securities	-	-	12,521.76	3,032.44	2,00,692.15	2,18,301.38	48,283.38	-	4,82,831.10
Borrowings (other than Debt Securities)	26,787.71	27,114.94	2,29,651.67	2,00,796.54	6,33,930.00	2,51,747.86	38,864.35	47,628.11	14,56,521.18
Subordinated Liabilities	3,242.44	4,515.61	5,101.30	15,839.18	28,203.06	94,922.64	41,860.83	58,323.27	2,52,008.33
Other Financial liabilities	23,871.83	1,294.82	2,498.38	6,426.18	8,470.59	18,428.00	5,804.81	3,535.46	70,330.07
Total	**55,887.51**	**33,088.45**	**2,50,044.05**	**2,26,094.34**	**8,71,295.80**	**5,83,399.88**	**1,34,813.38**	**1,09,486.84**	**22,64,110.24**

III) 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 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. The Group is 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 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, debt securities and subordinate laibilities are as follows:

Particulars	31st March 2022	31st March 2021
On Borrowings		
1% increase	(15,288.07)	(13,926.54)
1% decrease	15,288.07	13,926.54

Particulars	31st March 2022	31st March 2021
On Debt Securities		
1% increase	4,650.86	2,959.41
1% decrease	(4,650.86)	(2,959.41)

Particulars	31st March 2022	31st March 2021
On Subordinate Liabilities		
1% increase	2,465.17	2,573.34
1% decrease	(2,465.17)	(2,573.34)

Price risk

Equity price risk is the risk that the fair value of equities decreases as the result of changes in level of equity indices and individual stocks. The trading and non-trading equity price risk exposure arises from equity securities classified at FVTPL and FVOCI respectively".

A 10% increase/(decrease) in the equity price (traded and non-traded) would have the impact as follows:

Particulars	Increase/ (Decrease) in percentage	Sensitivity of profit or loss	Sensitivity of Other Comprehensive Income
As at March 31, 2022	10/(10)	432.28 / (432.28)	354.10 / (354.10)
As at March 31, 2021	10/(10)	39.69 / (39.69)	287.40 / (287.40)

Prepayment risk

Prepayment risk is the risk that the Group will incur a financial loss because its customers and counterparties repay or request repayment earlier or later than expected.

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.

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44 Impact of Covid-19

The after effects of the COVID-19 pandemic and resultant restrictions have continued to have its impact on economic activity during the year ended March 31, 2022. However, this has not resulted in a significant impact on the operations / financial position of the Group, though there has been an expected level of stress in collections and higher gold auctions during the year.

The Group continues to assess the impact of the COVID-19 pandemic on its liquidity and ability to repay its obligations as and when they fall due and the management believes that the Group will be able to pay its obligations as and when these become due in the foreseeable future. The Group would continue to focus on maintaining adequate capital and ensuring liquidity at all points in time. The Group has recorded a management overlay allowance of INR 4,796.75 (P.Y. INR 4,613.89) in its Expected Credit Loss provision in view of the circumstances following the pandemic, based on the information available at this time.

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45 Disclosures under the Listing Agreement for Debt Securities

(i) Debenture Trustees:

Trustees for Public Issue
SBICAP Trustee Company Limited
Mistry Bhavan, 4th Floor, 122
Dinshaw Vachha Road,
Churchgate, Mumbai - 400020
Tel : 022-4302 5555
Fax : 022-22040465
Email : corporate@sbicaptrustee.com

Trustees for Perpetual Debt Instrument
Vistra ITCL (India) Limited (formerly IL&FS Trust Company Limited)
The IL&FS Financial Centre,
Plot C- 22, G Block,
Bandra Kurla Complex,
Bandra(E), Mumbai 400051
Tel +91 22 2659 3535
Fax +91 22 26533297
Email: mumbai@vistra.com

Trustees for Listed Private Placement & Public Issue
Catalyst Trusteeship Limited
GDA House, Plot No 85, Bhusari Colony (Right),
Paud Road, Pune – 411 038, Maharashtra
Office: +91 20 2528 0081
Fax: +91 20 2528 0275
Email: dt@ctltrustee.com

Trustees for Public Issue & Private Placement
Vardhman Trusteeship Private Limited
The Capital, 412 A. 4th Floor,
A-Wing, Bandra Kurla Complex
Bandra (East), Mumbai 400 051, Maharashtra
Tel: +91 22 4264 8335
E-mail: corporate@vardhmantrustee.com

(ii)Security:

1. Privately Placed Secured Debentures are secured by subservient charge on all current assets of the Company, both present and future (as more specifically disclosed in Note 17).

2. Covered Bond issued by the Company in the nature of secured, redeemable, listed non-convertible debentures on a private placement basis is secured by way of first ranking pari passu charge by way of mortgage over, certain immovable property of the Company and is covered by receivables against a pool of gold loans originated by the Company amounting to a minimum cover of prescribed times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon, Default Interest accrued thereon. (as more specifically disclosed in Note 17).

3. Debentures issued by way of public issue are secured by exclusive mortgage and first charge over certain immovable property of the Company and subservient charge with existing secured creditors, on certain loan receivables (both present and future) of the Company, to be held on pari passu basis among the present and / or future NCD holder (as more specifically disclosed in Note 17).

4. Listed Debentures privately placed under Targeted Long-Term Repo Operations (TLTRO) is secured by first pari-passu charge on the present and future current assets of the Company along with other lenders and NCD investors with a prescribed asset coverage ratio of the value of the outstanding principal amounts of the Debentures. (as more specifically disclosed in Note 17).

(iii) Utilisation of Funds raised by way of Public Issue of Debt Securities:

The Group has utilised the Net Proceeds raised by way of allotment of Public Issue of Debt Securities and other Listed Debt Securities, in accordance with the Objects of such issue of debt securities. As at March 31, 2022, no portion of such allotted proceeds remain unutilized.

(iv)Others:

Particulars	At 31st March, 2022	At 31st March, 2021
Loans & advances in the nature of loans to subsidiaries	Nil	Nil
Loans & advances in the nature of loans to associates	Nil	Nil
Loans & advances in the nature of loans where there is-		
(i) no repayment schedule or repayment beyond seven years	Nil	Nil
(ii) no interest or interest below section 186 of the Companies Act	Nil	Nil
Loans & advances in the nature of loans to other firms/companies in which directors are interested	693.33	293.71

46 There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund established under Section 125 of the Companies Act, 2013.

47 Business combinations and acquisition of non-controlling interests
The Company has not subscribed to equity shares of any of its subsidiaries during the year (Previous Year: Nil).

48 The previous year figures have been reclassified and regrouped wherever required.

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(Amount in INR Lakhs, except share data and unless otherwise stated)

49 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the entity in the Group	Net assets, i.e. total assets minus total liabilities as at 31st March 2022		Share in profit or loss for the year ended 31st March 2022		Share in other comprehensive income for the year ended 31st March 2022	
	As a % of consolidated net assets	Amount	As a % of consolidated profit/loss	Amount	As a % of consolidated other comprehensive income	Amount
Parent						
Muthoot FinCorp Limited	92.45%	3,44,949.33	84.07%	34,685.13	54.31%	1,807.73
Subsidiaries						
Indian						
1. Muthoot Microfin Limited	22.48%	83,871.92	7.31%	3,015.05	61.77%	2,056.29
2. Muthoot Housing Finance Company Limited	5.14%	19,166.90	3.32%	1,371.02	0.29%	9.52
3. Muthoot Pappachan Technologies Limited	0.00%	(6.02)	0.11%	46.31	(0.07%)	(2.37)
Non-controlling interests in all subsidiaries						
Indian subsidiaries	14.56%	54,336.58	5.05%	2,084.40	35.36%	1,177.00
Other Adjustment / Consol adjustment	(34.63%)	(1,29,202.64)	0.13%	53.21	(51.66%)	(1,719.47)
Total		**3,73,116.05**		**41,255.11**		**3,328.70**

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Independent Auditors' Report

To

THE MEMBERS OF **MUTHOOT FINCORP LIMITED,**

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS financial statements of **Muthoot Fincorp Limited ("the Company"), Muthoot Centre, Punnen Road, Thiruvananthapuram - 695001** which comprise the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss (including Other Comprehensive Income) and the Statement of changes in equity and the Statement of cash flows for the year then ended, including the notes to the Ind AS Financial Statements, a summary of significant accounting policies and other explanatory information. ["Ind AS Financial Statements"]

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022, and its profit including other Comprehensive Income, Changes in equity and cash flows for the year ended on that date.

Basis for Opinion

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

Key audit matters

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

For each matter below, our description of how our audit addressed the matter is provided in that context. We have determined the matters described below to be the Key Audit matters to be communicated in our report.

Key Audit Matters	How addressed in Audit
a.) Completeness in identification and disclosure of related party transactions in accordance with the applicable reporting framework.	We have accessed the laid down systems and processes of the Company in identifying related party transactions and its ultimate disclosure in financial statements in accordance with the applicable reporting framework. We have designed the audit procedures in accordance with the guidelines prescribed in Standard on Auditing (SA 550) to identify the risks of material misstatement arising from an entity's failure to appropriately account for or disclose material related party transactions. We have also reviewed the minutes of meetings of the board in the course of the audit to identify any transactions that may require disclosure in accordance with the applicable reporting framework.
b.) Effectiveness of IT Systems and related controls.	Due to the automated controls and high degree of dependence in information systems, there is a risk that the financial accounting and reporting records may be misstated in case of any control lapses in the IT system related controls. We have designed our audit procedures in accordance with the guidelines laid down in the Standard on Auditing (SA 530) and tested the controls in the Information

	Technology Systems on a sample basis which has an impact on the financial accounting and reporting records. We have also tested on a sample basis the controls related to access management including user rights in passing entries, dual approval for authorizing entries, authorisation for reversing entries, segregation of duties, system password protection, external software/hardware access rights etc. Based on our sample review, no weakness was identified in the IT related systems and controls.
c.) Accuracy, completeness and correctness of accounting and related controls maintained at the entity's branches.	At the branch level, entries related to daily operations are passed. We have addressed this as a key audit matter since any control lapses in the branch level accounting may result in the financial accounting and reporting records of the entity being misstated. We have physically visited the entity's branches on a sample basis to identify and assess the effectiveness of the controls operating at the branch level. We have also tested on a sample basis the independent financial records maintained at the branch level and how the same is considered and incorporated in the financial statements. We have also assessed and analyzed the internal audit reports and how the major observations are dealt with and its impact on the entity's financial accounting and reporting records. Based on our sample review, no major weaknesses were identified.

d.) Computation of provision towards impairment of loan assets. As at 31st March 2022, the Company had reported a total impairment loss allowance of Rs 30,792.59 lakhs (31st March 2021 - Rs 23,639.85 lakhs) A significant degree of judgment is required to determine the timing and amount of Impairment loss allowance to be recognized with respect to loan assets. Based on our risk assessment, the following are the significant judgements and estimates, that impact impairment loss allowance: - Completeness and timing of recognition of default, in accordance with the prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Loan Assets; - Measurement of provision is dependent on the probability of default (PD) and loss given default (LGD) of each category of loan asset. Identification of PD and LGD involves significant judgments and estimates related to forward looking information.	The audit procedures performed, among others, included: -Considering the policies and processes for NPA identification and assessing compliance with the RBI norms. -Understanding, evaluating and testing the design and effectiveness of key controls around identification of impaired accounts. -Performing other procedures including substantive audit procedures covering the identification of NPAs such as: ● Reading account statements and related information of the borrowers on a sample basis. ● Performing inquiries with credit and risk departments to ascertain if there were indicators of stress or an occurrence of an event of default in a particular loan account or any product category which needed to be considered as NPA. ● Holding discussions with the management on sectors where there is perceived credit risk and the steps taken to mitigate the risks to identified sectors.

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

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

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

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

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and those charged with governance for the Ind AS Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board of directors 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 the board of directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Obtain an understanding of internal financial controls 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 management.

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

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

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

Report on Other Legal and Regulatory Requirements

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

2. As required by Section 143 (3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   c. The Balance Sheet, the Statement of Profit and Loss (including other Comprehensive Income), the Statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   d. In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued thereunder.
   e. On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 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 our separate Report in **"Annexure B"**.
   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, 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.

ii. The company does not have any long-term contracts including derivative contracts for which there were any material foreseeable loss for which any provision is required to be made under the applicable law and Accounting Standards. and

iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the company

iv. a) The Managements of the Company, have represented to us, to the best of their knowledge and belief, no funds (which are material either individually and in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company, to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company, ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) The Managements of the Company, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in aggregate) have been received by the Company, from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise , shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us on the Company, nothing has come to our that has caused us to believe that the representations under subclause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

i. The Company has paid dividend during the year which is in compliance with section 123 of the Act.

For Rangamani & Co.,
Chartered Accountants,
ICAI FRN:003052S

R. Krishnan
(Partner)
M.No.025927

UDIN: 22025927AJTZVAA650

Place: Alleppey
Date: 28.05.2022

For Krishnan Retna & Associates
Chartered Accountants,
ICAI FRN: 001536S

R. Krishnan
(Partner)
M.No. 006051

UDIN: 22006051AJUCHO6190

Place: Thiruvananthapuram
Date: 28.05.2022

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

Annexure referred to in Paragraph 1 under the heading 'Report on other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Muthoot Fincorp Limited on the Ind AS Financial Statements as of and for the year ended 31st March, 2022.

1) Tangible and Intangible Assets.

(a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment. The Company has maintained proper records showing full particulars of Intangible Assets.

(b) As informed to us, fixed assets have been physically verified by the management on a periodic basis during the course of internal branch audit conducted during the year. Since there is a regular program of verification, we are of the opinion that it is reasonable having regard to the size of the company and the nature of its assets. We have been informed that there have been no material discrepancies during such verification.

(c) In our opinion and according to the information and explanations given to us, the title deeds of immovable property included in Property, Plant and Equipment and in Investment Property are held in the name of the Company.

(d) In our opinion and according to the information and explanation given to us, the company has not revalued its Property, Plant and Equipment (including Right of use of asset) or Intangible assets or both during the year.

(e) As informed to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

2) Inventory and Working Capital

(a) The Company does not have any inventory. Hence, the provisions of clause 3(ii) of the Order are not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has obtained Working Capital Limits in excess of Rs 5 Crore in aggregate from banks and financial Institutions and the Quarterly return / statement filed by the Company with such banks or financial Institutions are in agreement with the books of accounts.

3) The company is a Non – Deposit taking Non Banking Financial Company (NBFC) registered with the Reserve Bank of India. During the year, the company has made investments and in the ordinary course of business granted loans and advances in the nature of secured and unsecured loans to companies, firms, LLPS and other parties. With respect to such Investment and Loans and Advances :

(a) As the principal business of the company is to give loans, the paragraph 3(iii)(a) of the Order is not applicable to the Company.

(b) In our opinion, the investment made, the terms and conditions of grants of loans during the year are, prima facie, not prejudicial to the interest to the company

(c) In respect of loans granted by the company, the schedule of repayment of principal and payment of interest have been stipulated. Being a non banking finance company engaged in the business of granting loans, there are instances of irregularities in repayment of principal amount and receipt of interest as per stipulated terms. Having regard to the nature of business undertaken by the company, specific details of irregularities are not reported although the particulars of overdue for more than ninety days as per books of accounts as at the Balance Sheet date has been reported in para (d) below

(d) In respect of loans granted by the company, the total amount overdue for more than ninety days as per Books of Accounts as at the balance Sheet date is Rs. 49,959.29 lakhs. In our opinion, and as per information and explanations given to us, reasonable steps have been taken by the company for recovery of the said overdue amounts.

(e) The provisions of paragraph 3(iii)(e) of the Order are not applicable to the company, as its principal business is to give loans.

(f) The company has not granted any loans or advances in the nature of loans that were either repayable on demand or without specifying any terms or period of repayment.

4) In our opinion, in respect of loans, investments, guarantees, and security, the Company has complied with the provision of Sec 185 and 186 of the Act.

5) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of sections 73 to 76 of the Act and rules framed thereunder to the extent notified.

6) The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the company and hence the provisions of this Section are not applicable to the Company for the year under review.

7) In respect of statutory dues:

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been generally regularly deposited during the year by the company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of statutory dues as at 31st March 2022 which have not been deposited on account of a dispute are as follows;

Statute	Nature of dues	Period to which the amount relates (Financial Year)	Amount (Rs. in lakhs)	Forum where dispute is pending
Service Tax	Tax on Income from Foreign Inward Remittances	01.02.2006 to 30.09.2007	17.17	CESTAT, Bangalore.
Service Tax	Tax on receipts related to assignment of receivables	01.04.2007 to 31.03.2012	1,451.58	CESTAT, Bangalore.
Service Tax	Tax on Notional consideration against support services rendered to group concerns	01.04.2008 to 31.03.2012	2,132.11	CESTAT, Bangalore
Service Tax	Tax on Income from Foreign Inward Remittances	01.04.2014 to 30.06.2017	347.27	Commissioner of GST and Central Excise.

				(Appeals), Cochin.
Service Tax	Service Tax demand on taxability on assignment of receivables	01.04.2014 to 30.06.2017	1,158.01	CESTAT, Bangalore.
Income Tax	Demand payable u/s 143(3) - net of refund adjustments	AY 10-11	1,463.50	CIT(A) - III, Cochin
Income Tax	Demand payable u/s 143(3) - net of refund adjustments	AY 13-14	741.70	CIT(A) - III, Cochin
Income Tax	Non deduction of Tax at Source	AY 15-16	570.37	DCIT, TDS (Trivandrum)
Income Tax	Demand payable u/s 143 (3)	AY 18-19	577.43	CIT (Appeals) – 3 / Kochi
Income Tax	Demand Payable u/s 143(1)	AY 19-20	66.86	Assistant director of income Tax, CPC
Value Added Tax	Purchase Tax	AY 13-14	1,327.12	Deputy Commissioner (Appeals), Thiruvanantha puram

8) **In our opinion and according to information and explanations given to us, there are no instances of transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in Tax assessments under the Income Tax Act, 1961.**

9) **Repayment of Borrowings**

(a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or as at the balance sheet date.

With regard to debentures, there are unpaid debentures that are matured to the tune of Rs 3,369 lakhs as on 31.03.2022. As explained to us, these are not settled since the investors have not approached the Company with the original investment documents for redemption.

(b) As per the information and explanation given to us, the Company has not been declared as a wilful defaulter by any bank or financial institution or other lender.

(c) According to the information and explanations given by us, term loans taken by the Company from financial institutions are applied for the purpose for which they were obtained.

(d) According to the information and explanations given by us, funds raised on short term basis have not been utilized for long term purposes.

(e) According to the information and explanations given by us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures,

(f) According to the information and explanations given by us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

10) (a) According to the information and explanations given to us, and on examination of records of the Company, the Company has during the year raised funds through public issue of Non Convertible Debentures of Rs. 1,06,512.54 lakhs that were uitilised for the purposes for which they were raised.

(c) According to the information and explanations given to us, and on examination of records of the Company, the company has issued of Cumulative Compulsorily Convertible Preference Shares to the tune of Rs 15,000 Lakhs during the year and the company has complied with the provisions of Section 42 and Section 62 of the Companies Act 2013, as applicable which were utilised for the purposes for which the funds were raised. Also, the Company has raised funds through issue of Non Convertible Debentures, Perpetual Debt, Subordinate Debt etc. on private placement basis to the tune of Rs. 81,000 Lakhs during the year.

11) **Fraud and Whistleblower Complaints**

(a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, instances of loans granted against theft gold, spurious gold and misappropriation of cash committed by personnel of the Company during the year were noticed aggregating to Rs. 552.14 lakhs (net of recovery), which has been fully provided for in the accounts.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;

(c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report) while determining the nature, timing and extent of our audit procedures.

12) The Company is not a Nidhi Company and accordingly, paragraph 3 (xii) of the order is not applicable to the Company.

13) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14) (a) In our opinion, the Company has an internal audit system commensurate with the nature and size of the business.

(b) We have considered the Internal Audit reports for the year under Audit, issued to the company during the year in determining the nature, timing and extent of our Audit procedures.

15) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them.

16) (a) The Company being a Non Banking Financial Company is required to be registered and has obtained the Certificate of Registration as provided under sec 45IA of The Reserve Bank of India Act 1934.

(b) The company has not conducted any non banking financial or housing finance activities without a valid certificate of registration from the Reserve Bank of India as the company has been registered throughout the year

(c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence the reporting requirement under clause (xvi) (c) of para 3 of the Order is not applicable.

(d) As informed to us, the group does not have CIC. Accordingly, reporting on paragraph 3(xvi)(d) of the Order is not applicable.

17) According to the information and explanations given to us and based on our examination of the records of the company, the company has not incurred any cash losses in the financial year and in the immediately preceding financial year.

18) There has been resignation of Statutory Auditors during the year. The predecessor statutory auditors have confirmed to us that they were not aware of any reasons as to why we should not accept the statutory audit engagements of the Company.

19) On the basis of the examination of financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statement and knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

20) (a) According to the information and explanation given to us and the records of the company examined by us, there are no unspent amounts towards corporate social responsibility other than ongoing projects requiring a transfer to a fund specified in schedule VII to the Act in compliance with the second proviso to sub section (5) of Section 135 of the said Act. Accordingly, the reporting requirement under clause (XX)(a) of para 3 of the Order is not applicable.

(b) In respect of ongoing projects, the company has transferred the unspent corporate social responsibility amount as at Balance Sheet date. Out of the amounts that were required to be spent during the year to a special account within a period of 30 days from the end of the Financial Year in compliance with the provisions of subsection (6) of section 135 of the Act.

21) **According to the information and explanations given to us and based on our examination of the records of the company, there has been no adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements.**

For Rangamani & Co.,
Chartered Accountants,
ICAI FRN:003052S

R. Krishnan
(Partner)
M.No.025927

UDIN: 22025927AJTZVAA650

Place: Alleppey
Date: 28.05.2022

For Krishnan Retna & Associates
Chartered Accountants,
ICAI FRN: 001536S

R. Krishnan
(Partner)
M.No. 006051

UDIN: 22006051AJUCHO6190

Place: Thiruvananthapuram
Date: 28.05.2022

ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT

Referred to in paragraph 2(f) under ‘Report on other legal and regulatory requirements’ of the Independent Auditors’ Report of even date to the members of Muthoot Fincorp Limited on the Ind AS Financial Statements as of and for the year ended 31 March 2022

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (“THE ACT”)

Opinion

We have audited the internal financial controls over financial reporting of Muthoot Fincorp Limited ("the Company"), as of March 31, 2022 in conjunction with our audit of the Ind AS Financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") Standards on Auditing, both issued by the ICAI and deemed to be prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 control 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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 authorizations

of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized 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.

For Rangamani & Co., **Chartered Accountants,** **ICAI FRN:003052S**	**For Krishnan Retna & Associates** **Chartered Accountants,** **ICAI FRN: 001536S**
R. Krishnan **(Partner)** **M.No. 025927**	**R. Krishnan** **(Partner)** **M.No. 006051**
UDIN: 22025927AJTZVAA650	**UDIN: 22006051AJUCHO6190**
Place: Alleppey **Date: 28.05.2022**	**Place: Thiruvananthapuram** **Date: 28.05.2022**

MUTHOOT FINCORP LIMITED

Muthoot Centre, Punnen Road, Trivandrum, Kerala-695039

STANDALONE BALANCE SHEET AS AT 31st March 2022

(INR in lakhs)

Particulars	Note	As at 31st March 2022	As at 31st March 2021
ASSETS			
1 Financial assets			
Cash and cash equivalents	5	2,35,980.59	40,917.19
Bank Balance other than above	6	11,089.14	16,326.10
Receivables	7		
Trade Receivables		2,630.50	1,819.94
Loans	8	17,01,520.88	18,45,298.14
Investments	9	1,63,959.06	1,61,803.59
Other Financial assets	10	13,049.87	19,259.56
2 Non-financial Assets			
Current tax assets (net)		2,997.82	676.03
Investment Property	11	30,236.55	30,236.55
Property, Plant and Equipment	12	38,915.42	41,313.73
Other Intangible assets	13	937.59	833.76
Right-of-use assets	14	57,939.67	43,527.94
Other non financial assets	15	31,120.00	32,015.82
Total assets		**22,90,377.08**	**22,34,028.35**
LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial Liabilities			
Payables	16		
(I) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(II) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises		79.03	45.85
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		4,703.28	1,724.99
Debt Securities	17	3,79,379.03	4,36,586.45
Borrowings (other than debt securities)	18	11,53,567.02	10,98,836.85
Lease Liability	14	64,656.45	47,841.90
Subordinated Liabilities	19	2,38,526.64	2,49,512.07
Other Financial liabilities	20	76,253.36	50,591.66
2 Non-financial Liabilities			
Current tax liabilities (net)		-	-
Provisions	21	2,959.81	2,823.83
Deferred tax liabilities (net)	34	23,668.26	24,720.32
Other non-financial liabilities	22	1,634.89	1,265.63
3 Equity			
Equity share capital	23	19,370.56	19,370.56
Other equity	24	3,25,578.77	3,00,708.24
Total liabilities and equity		**22,90,377.08**	**22,34,028.35**
See accompanying notes to the Financial Statements	1 to 4		

In terms of our joint report of even date attached

For Rangamani & Co.
Chartered Accountants
Firm Regn. No. 003052S

CA. Krishnan R
Partner
Membership No.025927
Place: Thiruvananthapuram

For Krishnan Retna & Associates
Chartered Accountants
Firm Regn. No. 001536S

CA. Krishnan R
Partner
Membership No.006051
Place: Thiruvananthapuram

For and on behalf of the Board of Directors,

Thomas John Muthoot
Managing Director
DIN: 00011618
Place: Thiruvananthapuram

Thomas George Muthoot
Director
DIN: 00011552
Place: Kochi

Thomas Muthoot
Executive Director and
Chief Financial Officer
DIN: 00082099
Place: Kochi

Date: May 28, 2022

MUTHOOT FINCORP LIMITED

Muthoot Centre, Punnen Road, Trivandrum, Kerala-695039

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st March 2022

(INR in lakhs)

		Particulars	Notes	For the year ended 31st March 2022	For the year ended 31st March 2021
(I)		**Revenue from operations**			
	(i)	Interest income	25	3,18,760.74	2,98,476.23
	(ii)	Dividend income		17.44	22.57
	(iii)	Rental income		533.22	526.84
	(iv)	Fees and commission income		9,952.29	7,543.16
	(v)	Net gain on derecognition of financial instruments under amortised cost category		37.53	14,552.26
	(vi)	Others	26	3,332.38	2,086.62
		Total Revenue from operations		**3,32,633.60**	**3,23,207.67**
(II)		Other Income		158.05	90.79
(III)		**Total Income (I + II)**		**3,32,791.64**	**3,23,298.46**
		Expenses			
	(i)	Finance costs	27	1,63,547.79	1,66,698.09
	(ii)	Impairment on financial instruments	28	7,152.74	5,041.91
	(iii)	Net Loss on fair value changes	29	231.27	53.91
	(iv)	Employee benefits expenses	30	53,690.84	48,521.07
	(v)	Depreciation, amortization and impairment	31	21,070.48	22,636.89
	(vi)	Other expenses	32	40,284.88	30,889.42
(IV)		**Total Expenses**		**2,85,978.01**	**2,73,841.27**
(V)		**Profit before tax (III- IV)**		**46,813.64**	**49,457.19**
(VI)		Tax Expense:			
		(1) Current tax		13,719.62	13,504.00
		(2) Deferred tax		(1,591.11)	(1,000.55)
(VII)		Profit for the year (V-VI)		**34,685.13**	**36,953.74**
(VIII)		**Other Comprehensive Income**			
	A	(i) Items that will not be reclassified to profit or loss			
		Net gain / (loss) on equity instruments measured through other comprehensive income		2,167.51	(15,966.40)
		Remeasurement of the defined benefit liabilities		179.27	(66.36)
		(ii) Income tax relating to items that will not be reclassified to profit or loss		(539.05)	3,719.73
		Subtotal (A)		1,807.73	(12,313.02)
	B	(i) Items that will be reclassified to profit or loss		-	-
		(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
		Subtotal (B)		-	-
		Other Comprehensive Income (A+B)		**1,807.73**	**(12,313.02)**
(IX)		**Total Comprehensive Income for the year (VII+VIII)**		**36,492.86**	**24,640.72**
(X)		**Earnings per equity share**	33		
		Basic (INR)		17.91	19.08
		Diluted (INR)		17.36	19.08

See accompanying notes to the financial statements 1 to 4

In terms of our joint report of even date attached

For Rangamani & Co.
Chartered Accountants
Firm Regn. No. 003052S

CA. Krishnan R
Partner
Membership No.025927
Place: Thiruvananthapuram

For Krishnan Retna & Associates
Chartered Accountants
Firm Regn. No. 001536S

CA. Krishnan R
Partner
Membership No.006051
Place: Thiruvananthapuram

For and on behalf of the Board of Directors,

Thomas John Muthoot
Managing Director
DIN: 00011618
Place: Thiruvananthapuram

Thomas George Muthoot
Director
DIN: 00011552
Place: Kochi

Thomas Muthoot
Executive Director &
Chief Financial Officer
DIN: 00082099
Place: Kochi

Date: May 28, 2022

MUTHOOT FINCORP LIMITED

Muthoot Centre, Punnen Road, Trivandrum, Kerala-695039

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st March 2022

(INR in lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
A Cash flow from Operating activities		
Net Profit before taxation	**46,813.64**	**49,457.19**
Adjustments to reconcile profit before tax to net cash flows:		
Add: Depreciation, amortisation and impairment	21,070.48	22,636.89
Add: Impairment on financial instruments	7,152.74	5,041.91
Add: Finance cost	1,63,547.79	1,66,698.09
Add: Provision for Gratuity	174.23	440.78
Add: Provision for Compensated absence	(38.25)	68.52
Add: Net (gain) / loss on fair value changes	231.27	53.91
Less: Income on investments	(1,578.71)	(593.00)
Less: Dividend income	(17.44)	(22.57)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	*2,37,355.75*	*2,43,781.71*
Adjustments for:		
(Increase)/Decrease in Trade receivables	(810.56)	1,098.94
(Increase)/Decrease in Bank balances other than cash and cash equivalents	5,236.97	(15,341.41)
(Increase)/Decrease in Loans	1,36,624.52	(4,58,537.99)
(Increase)/Decrease in Other financial asset	5,429.50	(4,290.64)
(Increase)/Decrease in Other non-financial asset	895.82	(2,464.66)
Increase/(Decrease) in Other financial liabilities	585.17	(191.27)
Increase/(Decrease) in Other non-financial liabilities	369.26	(2,215.26)
Increase/(Decrease) in Trade payables	3,011.46	(35,109.31)
Increase/(Decrease) in Provisions	179.27	(66.36)
Cash generated / (utilised) from / (for) operations	**3,88,877.17**	**(2,73,336.26)**
Finance cost paid	(1,50,126.58)	(1,52,255.92)
Income tax paid	(16,041.41)	(14,533.94)
Net cash flows from operating activities	**2,22,709.17**	**(4,40,126.12)**
B Cash flow from Investing activities		
Purchase of property, plant and equipment and intangible assets	(3,802.61)	(3,668.14)
Proceeds against (purchase) / sale of investment funds	420.54	(39.00)
Proceeds against (purchase) / sale of equity investments	(526.77)	465.09
Proceeds against (purchase) / sale of debt securities	300.00	(70.00)
Investments in unquoted equity shares	(200.00)	(9.00)
Dividend income	17.44	22.57
Income on investments	1,578.71	593.00
Net cash flows from investing activities	**(2,212.69)**	**(2,705.48)**
C Cash flow from Financing activities		
Increase / (decrease) in debt securities	(57,821.90)	3,50,473.14
Increase / (decrease) in borrowings (other than debt securities)	56,034.28	1,30,523.58
Increase / (decrease) in subordinated liabilities	(9,201.75)	(10,655.40)
Payment of lease liabilities	(17,821.39)	(16,609.79)
Proceeds from issue of Cumulative Compulsorily Convertible Preference Shares	15,000.00	-
Dividend paid	(11,622.33)	-
Net cash flows from financing activities	**(25,433.09)**	**4,53,731.52**
D Net increase/(decrease) in cash and cash equivalents (A+B+C)	**1,95,063.39**	**10,899.92**
Cash and cash equivalents at April 01, 2021 / April 01, 2020	40,917.19	30,017.28
Cash and cash equivalents at March 31, 2022 / March 31, 2021	**2,35,980.59**	**40,917.19**

See accompanying notes to the financial statements

In terms of our joint report of even date attached

For Rangamani & Co.
Chartered Accountants
Firm Regn. No. 003052S

CA. Krishnan R
Partner
Membership No.025927
Place: Thiruvananthapuram

For Krishnan Retna & Associates
Chartered Accountants
Firm Regn. No. 001536S

CA. Krishnan R
Partner
Membership No.006051
Place: Thiruvananthapuram

For and on behalf of the Board of Directors,

Thomas John Muthoot
Managing Director
DIN: 00011618
Place: Thiruvananthapuram

Thomas George Muthoot
Director
DIN: 00011552
Place: Kochi

Thomas Muthoot
Executive Director &
Chief Financial Officer
DIN: 00082099
Place: Kochi

Date: May 28, 2022

MUTHOOT FINCORP LIMITED

Muthoot Centre, Punnen Road, Trivandrum, Kerala-695039

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st March 2022

A. Equity Share Capital

Equity shares of INR 10/- each issued, subscribed and fully paid *(INR in lakhs)*

Particulars	No. of shares	Amount
Balance as on 1st April 2020	**19,37,05,560.00**	**19,370.56**
Changes in equity share capital due to prior period errors	-	-
Restated Balance as on 1st April 2020	-	-
Changes in equity share capital during the year	-	-
Balance as on 31st March 2021	**19,37,05,560.00**	**19,370.56**
Changes in equity share capital due to prior period errors	-	-
Restated Balance as on 1st April 2021	-	-
Changes in equity share capital during the year	-	-
Balance as on 31st March 2022	**19,37,05,560.00**	**19,370.56**

B. Other Equity *(INR in lakhs)*

Particulars	Reserves and Surplus			Other Comprehensive Income		Total Other Equity
	Securities Premium Reserve	Statutory Reserve	Retained Earnings	Equity Instruments through Other Comprehensive income	Actuarial valuation of gratuity impact through Other Comprehensive Income	
Balance as on 31st March 2020	**38,129.85**	**41,575.93**	**84,614.75**	**1,11,540.02**	**206.98**	**2,76,067.53**
Profit for the year	-	-	36,953.74	-	-	36,953.74
Other Comprehensive Income (net of taxes)	-	-	-	(12,263.37)	(49.66)	(12,313.02)
Transfer to Reserves u/s. 45-IC of RBI Act, 1934	-	7,390.75	(7,390.75)	-	-	-
Changes due to prior period errors	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-
Dividend Tax Paid	-	-	-	-	-	-
Balance as on 31st March 2021	**38,129.85**	**48,966.68**	**1,14,177.75**	**99,276.65**	**157.32**	**3,00,708.24**
Profit for the year	-	-	34,685.13	-	-	34,685.13
Other Comprehensive Income (net of taxes)	-	-	-	1,673.58	134.15	1,807.73
Transfer to Reserves u/s. 45-IC of RBI Act, 1934	-	6,937.03	(6,937.03)	-	-	-
Changes due to prior period errors	-	-	-	-	-	-
Dividend Paid	-	-	(11,622.33)	-	-	(11,622.33)
Dividend Tax Paid	-	-	-	-	-	-
Balance as on 31st March 2022	**38,129.85**	**55,903.70**	**1,30,303.52**	**1,00,950.23**	**291.47**	**3,25,578.77**

See accompanying notes to the Financial Statements

In terms of our joint report of even date attached

For Rangamani & Co.
Chartered Accountants
Firm Regn. No. 003052S

CA. Krishnan R
Partner
Membership No.025927
Place: Thiruvananthapuram

For Krishnan Retna & Associates
Chartered Accountants
Firm Regn. No. 001536S

CA. Krishnan R
Partner
Membership No.006051
Place: Thiruvananthapuram

For and on behalf of the Board of Directors,

Thomas John Muthoot
Managing Director
DIN: 00011618
Place: Thiruvananthapuram

Thomas George Muthoot
Director
DIN: 00011552
Place: Kochi

Thomas Muthoot
Executive Director and
Chief Financial Officer
DIN: 00082099
Place: Kochi

Date: May 28, 2022

Muthoot FinCorp Limited
Notes forming part of Financial Statements

Significant Accounting Policies

1. Corporate Information

Muthoot FinCorp Limited, (‘MFL’ or ‘the Company’), is a public limited company, incorporated on June 10, 1997 under the provisions of Companies Act, 1956. The company is a Non-Deposit Accepting Non-Banking Financial Company (NBFC) registered with Reserve Bank of India (RBI) and is classified as a Non Deposit Taking Systematically Important Loan Company (NDSI).

Muthoot FinCorp Limited, the flagship company of the 135 year old Muthoot Pappachan Group, provides a diverse mix of retail offerings catering to the various needs of its customers and is primarily engaged in business of Gold Loans through its branch network across India. The company also offers SME Loans, Forex Services, Money Transfer Services and Wealth Management Services to its customers in its strive to be the most trusted financial service provider. The company is engaged in real estate business to a very limited extent.

MFL is the parent company of Muthoot Microfin Limited, Muthoot Housing Finance Company Limited and Muthoot Pappachan Technologies Limited.

The Company’s registered office is at Muthoot Centre, TC No.14/2074-7, Punnen Road, Thiruvananthapuram, Kerala, India.

The Registration details of the Company are as follows:
Reserve Bank of India Registration no.: N - 16.00170
Corporate Identity Number (CIN): U65929KL1997PLC011518

2. Basis of preparation

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act, the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (‘the NBFC Master Directions’) and notification for Implementation of Indian Accounting Standard vide circular RBI/2019-20/170 DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 (‘RBI Notification for Implementation of Ind AS’) issued by RBI to the extent applicable. The Company uses accrual basis of accounting except in case of significant uncertainties.

The financial statements are prepared on a going concern basis, as the Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. The outbreak of COVID-19 has not affected the going concern assumption of the Company.

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.

Basis of measurement

The financial statements have been prepared on a historical cost basis, except for following assets and liabilities which have been measured at fair value:

i) Investments in equity instruments at fair value through other comprehensive income (FVOCI) or at fair value through statement of profit or loss (FVTPL)
ii) Investments which are held for trading

iii) Defined benefit plans.
iv) Cumulative, Compulsorily Convertible Preference Shares issued at Fair Value through profit or loss (FVTPL)

Functional and presentation currency
The financial statements are presented in Indian Rupees (INR) which is also functional currency of the Company and the currency of the primary economic environment in which the Company operates. All values are rounded to the nearest lakhs, except when otherwise indicated.

3. Significant accounting policies
3.1 Recognition of 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. Interest income is not recognized on credit impaired assets.

3.2 Recognition of revenue from sale of goods and services
Revenue (other than for financial instruments) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

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

Revenue from contract with customer for rendering services is recognised at a point in time when performance obligation is satisfied.

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

3.2.2 Rental Income
Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in rental income in the statement of profit and loss, unless the increase is in line with expected general inflation, in which case lease income is recognised based on contractual terms.

3.2.3 Fees and commission income
Fees and commission income such as service charges, commission from fee based business lines, service income etc. are recognised on point in time basis.

3.2.4 Net gain on fair value changes
The Company designates certain financial assets for subsequent measurement at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI). The Company recognises gains on fair value change of financial assets measured at FVTPL on net basis.

3.2.5 Net gain on derecognition of financial instruments
Gains arising out of direct assignment transactions comprise the difference between the interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee, also known as the excess interest spread (EIS).

3.3 Financial instruments
1.1.1. Initial recognition

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Loans are recognised when funds are transferred to the customers’ account. Investments are recognised on settlement date. The Company recognises debt securities and borrowings when funds reach the Company, post allotment if applicable.

1.1.2. Initial and subsequent measurement of financial instruments

The Company classifies its financial assets into the following measurement categories:
1. Debt instruments at amortised cost
2. Debt instruments at fair value through other comprehensive income (FVTOCI)
3. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
4. Equity instruments in subsidiary companies at cost
5. Equity instruments measured at fair value through other comprehensive income FVTOCI

The classification depends on the contractual terms of the financial assets’ cash flows and the Company’s business model for managing financial assets which are explained below:

Business model assessment
The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed
- How managers of the business are compensated (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 sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The SPPI test

As a second step of its classification process, the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

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

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

1.1.3. Financial assets measured at amortised cost

A 'debt instrument' is measured at amortised cost if both the following conditions are met:

a. The financial asset is held within a business model with the objective to hold financial assets to collect contractual cash flows and

b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement at fair value plus directly attributable costs, these financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the profit or loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in statement of profit and loss.

1.1.4. Financial assets measured at fair value through other comprehensive income

A 'debt instrument' is measured at fair value through other comprehensive income if both the following conditions are met:

a. The financial asset is held within a business model with the objective to hold financial assets to collect contractual cash flows and selling the assets and

b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

Debt instruments included within the FVOCI category are measured at each reporting date at fair value with such changes being recognised in other comprehensive income (OCI). The interest income on these assets is recognised in profit or loss. 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 income statement.

1.1.5. Financial Instrument measured at fair value through profit or loss

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVOCI criteria may be designated as at FVTPL upon initial recognition, if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Company’s investment is classified as FVTPL, if it is acquired or incurred principally for the purpose of 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.

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

1.1.6. Equity instruments

The Company subsequently measures investment in equity investments at fair value through profit or loss, unless the Company’s management has elected to classify irrevocably some of its equity investments as equity instruments at FVOCI, when such instruments meet the definition of definition of Equity under Ind AS 32 *Financial Instruments*: *Presentation* and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments classified at FVOCI are never recycled to profit or loss. Dividends are recognised in profit or loss as dividend income when the right of the payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI.

3.3.1 Financial Liabilities

Initial Measurement

All financial liabilities are initially recognised at fair value. Transaction cost that are directly attributable to the acquisition or the issue of financial liability, which are not at fair value through profit or loss, are adjusted to fair value at initial recognition.

Subsequent Measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

3.4 Derecognition of financial assets and liabilities

3.4.1 Financial Asset

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either:

a) The Company has transferred its contractual rights to receive cash flows from the financial asset

or

b) It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- The Company cannot sell or pledge the original asset other than as security to the eventual recipients
- The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset or,
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

- The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

3.4.2 Financial Liability

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

3.5 Offsetting

Financial assets and financial liabilities are generally reported gross in the balance sheet. Financial assets and liabilities are offset, and the net amount is presented in the balance sheet when the Company has a legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously in all the following circumstances:

a. The normal course of business
b. The event of default
c. The event of insolvency or bankruptcy of the Company and/or its counter parties.

3.6 Impairment of financial assets

3.6.1 Overview of the Expected Credit Loss (ECL) principles

The Company has created provisions on all financial assets wherever required, except for financial assets classified as FVTPL, based on the expected credit loss method.

The ECL provision is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on financial assets that are possible within the 12 months after the reporting date.

The Company performs an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Company categorises its loans into three stages as described below:

<u>For non-impaired financial instruments</u>

- Stage 1 is comprised of all non-impaired financial instruments which have not experienced a significant increase in credit risk (SICR) since initial recognition. A 12-month ECL provision is made for stage 1 financial instruments. In assessing whether credit risk has increased significantly, the Company compares the risk of a default occurring on the financial instrument as at the reporting date, with the risk of a default occurring on the financial instrument as at the date of initial recognition.

- Stage 2 is comprised of all non-impaired financial instruments which have experienced a SICR since initial recognition. The Company recognises lifetime ECL for stage 2 financial instruments. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a SICR since initial recognition, then entities recognize 12 months of ECL.

<u>For impaired financial instruments:</u>

Financial instruments are classified as stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a loan or a portfolio of loans. The Company recognises lifetime ECL for impaired financial instruments.

3.6.2 The calculation of ECLs

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon.

The Company uses historical information where available to determine PD. Considering the different products, schemes, ticket size, loan to value and geographies, the Company has bifurcated its loan portfolio into various pools. PD is calculated using Incremental NPA approach considering fresh slippage using historical information.

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

Loss Given Default (LGD) – The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive.

Forward looking information

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

Write-offs

Loans are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when it is determined that the customer 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.

Collateral

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as gold, securities, letters of credit/guarantees, stock, current asset etc. However, the fair value of collateral affects the calculation of ECLs. The fair value of the same is based on data provided by third party or management judgements.

Impairment of Trade receivables

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables.

3.7 Determination of fair value

The Company measures financial instruments, such as, investments at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability, or
ii. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, if market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which enough data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments − Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments − Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

Level 3 financial instruments − Those that include one or more unobservable input that is significant to the measurement as whole.

3.8 Foreign Currency translation

Transactions in foreign currencies, if any, are initially recorded in the functional currency at the spot rate of ex-change ruling at the date of the transaction. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the spot rate of exchange at the reporting date. All differences arising on non–trading activities are taken to other income/expense 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.

3.9 Finance cost

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

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method. These include fees including upfront costs incurred in relation to borrowings, commissions payable to advisers and other expenses such as external legal costs, provided these are incremental costs that are directly related to the issue of a financial liability. Interest accrued on lease liability recognized and measured in accordance with Ind AS 116 “Leases” also forms part of Finance cost.

3.10 Other income and expenses

All Other income and expense are recognized in the period they occur.

3.11 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, short-term deposits with an original maturity of three months or less and forex balances, which are subject to an insignificant risk of changes in value.

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

3.12 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.

3.12.1 Depreciation

Tangible assets are stated at historical cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is charged based on a review by the management during the year and at the rates derived based on the useful lives of the assets as specified in Schedule II of the Companies Act, 2013 on Straight Line Method.

The estimated useful lives are as follows:

Particulars	**Useful life**
Buildings	60 years
Computer	3 years
Furniture and Fixtures	5 to 30 years
Plant and Equipment	5 to 20 years
Vehicles	5 to 8 years
Windmill	22 years
Office equipment	15 years

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 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.

3.13 Intangible assets

The Company's intangible assets consist of computer software.

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.

Intangible assets are amortised using the Written down value 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 Written down value basis over a period of 3 years keeping residual value 5%.

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.

3.14 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, borrowing cost and other directly attributable cost in bringing the asset to its working condition for its intended use. Subsequent expenditure is capitalized to the assets carrying amount only when it is probable that the future economic benefit associated with the expenditure will flow to the company.

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.

The fair value of investment property is disclosed in the notes accompanying these financial statements. Fair value has been determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

3.15 Impairment of non-financial assets

The Company's assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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 the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.16 Post-employment benefits

3.16.1 Defined contribution schemes

Contributions to the Employees Provident Fund Scheme maintained by the Central Government, Employee State Insurance Corporation (ESIC) etc. are accounted for on an accrual basis. Retirement benefit in the form of provident fund is a defined contribution scheme.

The company has no obligation, other than the contribution payable under the schemes. The company recognizes contribution payable to the provident fund scheme / ESIC as expenditure, when an employee renders the related service. If the contribution payable to the scheme / ESIC for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized 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 recognized as an asset.

3.16.2 Defined Benefit schemes

Gratuity

The Company provides for gratuity covering eligible employees under which a lumpsum payment is paid to vested employees at retirement, death, incapacitation or termination of employment, of an amount reckoned on the respective employee's salary and his tenor of employment with the Company. The Company accounts for its liability for future gratuity benefits based on actuarial valuation determined at each Balance Sheet date by an Independent Actuary using Projected Unit Credit Method. The Company makes contributions to a Gratuity Fund administered by the Life Insurance Corporation of India.

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

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

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

3.17 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.

3.18 Taxes

Income tax expense represents the sum of current tax and deferred tax.

3.18.1 Current Tax

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from ‘profit before tax’ as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible in accordance with applicable tax laws.

The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the end of reporting date in India 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.

3.18.2 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 relating to items recognised outside profit and loss is recognised either in other comprehensive income or in equity. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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.

3.18.3 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 and / or payable to, the taxation authority is included as part of receivables or payables respectively in the balance sheet.

3.19 Contingent Liabilities and assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

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

3.20 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 deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For 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.

3.21 Dividends on ordinary shares

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

3.22 Leases

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.

Company as a lessee
The Company's lease asset class consist of building, equipment and vehicles. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company has, at the date of transition, recognized a right-of use asset and a corresponding lease liability for all active lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term lease) and low value assets. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight line basis over the term of the lease.

The right-of-use assets are recognized at cost, which comprises the present value of the lease liability as at the date of transition. Right-of-use assets are depreciated on a straight-line basis over the shorter of the balance lease term and useful life of the underlying asset. The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit on the lease or, if not readily determinable, using the incremental borrowing rates. Interest accrued on lease liability and lease payments made, are subsequently adjusted to the initial recognition of lease liability.

Company as a lessor
Leases where the Company does not transfer substantially all the risks and benefits incidental to ownership of the leased items are operating leases. Rental Income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in rental income in the statement of profit and loss.

3.23 Cash flow statement

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

4 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:

4.1 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 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.

4.2 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 at each reporting date.

4.3 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.

4.4 Impairment of financial assets

The measurement of impairment losses across all categories of financial assets requires judgement 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 several 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, regulatory advisories, market conditions and forecasts and revise when necessary.

4.5 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.

4.6 Other estimates:

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

(Rupees in lakhs, except for share data and unless otherwise stated)

5 Cash and cash equivalents

Particulars	As at 31st March 2022	As at 31st March 2021
Cash on hand	8,775.44	10,109.40
Balances with Banks		
- in current accounts	1,53,882.08	28,053.24
- in deposit accounts having original maturity less than three months	73,263.12	2,714.16
Others		
-Foreign currency balances	59.94	40.40
Total	**2,35,980.59**	**40,917.19**

* Includes earmarked balances of INR 3,543.54 as at 31st March 2022 (31st March 2021 - INR 1,286.99) towards margin money, staff deposits & loan against deposit.

6 Bank Balance other than above

Particulars	As at 31st March 2022	As at 31st March 2021
Deposit with original maturity for more than three months but less than twelve months*	4,319.72	2,612.60
Balance with Banks in escrow accounts	6,769.42	13,713.50
Total	**11,089.14**	**16,326.10**

* Includes earmarked balances of INR 4,043.15 as at 31st March 2022 (31st March 2021 - INR 1,961.01) towards margin money, staff deposits & loan against deposit.

7 Receivables

Particulars	As at 31st March 2022	As at 31st March 2021
TRADE RECEIVABLES		
Receivables considered good - Unsecured		
Receivables from Money Transfer business	847.35	921.73
Wind Mill income receivable	1,748.85	891.46
Other Trade Receivables	34.30	6.74
Sub-Total	**2,630.50**	**1,819.94**
Less: Allowances for Impairment Loss	-	-
Total Net receivable	**2,630.50**	**1,819.94**

(i) Of the total receivables as above, the following pertains to receivables due from directors or other officers of the Company either severally or jointly with any other person or from firms or private companies respectively in which any director is a partner, a director or a member:

Particulars	As at 31st March 2022	As at 31st March 2021
From Directors, relatives of Directors or Officers of the Company	2.24	1.12
From firms in which any director is a partner	-	-
From Companies in which any director is a director or a member	4.04	5.62
Total	**6.28**	**6.74**

(ii)Trade receivables are non-interest bearing and are short-term in nature. These consist of receivable from government and other parties, and does not involve any credit risk.

(iii) Ageing Schedule of Trade Receivables (At at 31st March,2022)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables- considered good	1,101.84	637.20	891.46	0.01	-	2,630.50
(ii) Undisputed Trade Receivables- which have signficant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-
(iv)Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have signficant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-

(iv)Ageing Schedule of Trade Receivables (At at 31st March,2021)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables- considered good	1,294.91	425.39	99.64	0.01	-	1,819.94
(ii) Undisputed Trade Receivables- which have signficant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-
(iv)Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have signficant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-

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(Rupees in lakhs, except for share data and unless otherwise stated)

8 Loans (At amortised Cost)

Particulars	**As at 31st March 2022**	**As at 31st March 2021**
A.		
Retail Loans	16,98,032.48	18,33,995.00
High Value Loans	34,191.91	34,871.61
Staff Loan	89.08	71.39
Total	**17,32,313.47**	**18,68,937.99**
Less: Impairment loss allowance	(30,792.59)	(23,639.85)
Total (A) - Net	**17,01,520.88**	**18,45,298.14**
B.		
I) Secured by tangible assets		
Retail Loans	16,95,435.33	18,30,056.55
High Value Loans	33,840.86	34,830.30
II) Secured by intangible assets	-	-
Total (I) - Gross	**17,29,276.20**	**18,64,886.85**
Less : Impairment loss allowance	(29,356.63)	(22,553.08)
Total (I) - Net	**16,99,919.57**	**18,42,333.77**
II) Covered by Bank / Government Guarantees	-	-
III) Unsecured		
Retail Loans	2,597.15	3,938.45
High Value Loans	351.05	41.30
Staff Loan	89.08	71.39
Total (III) - Gross	**3,037.28**	**4,051.14**
Less : Impairment loss allowance	(1,435.96)	(1,086.76)
Total (III) - Net	**1,601.31**	**2,964.38**
Total (I+II+III) - Net	**17,01,520.88**	**18,45,298.14**
C.		
I) Loans in India		
i) Public Sector	-	-
ii) Others	17,32,313.47	18,68,937.99
II) Loans outside India	-	-
Total (C) - Gross	**17,32,313.47**	**18,68,937.99**
Less: Impairment Loss Allowance	(30,792.59)	(23,639.85)
Total (C)- Net	**17,01,520.88**	**18,45,298.14**

The Company has continued its co-lending arrangements with banks for Gold loans. A total disbursement of INR 4,91,842.74 (31st March, 2021 - INR 65,341.58) was undertaken during the year under the Co-lending mechanism. As at 31st March, 2022, the total managed assets under the Co-lending mechanism amounted to INR 1,36,210.74 (INR 60,696.85 as at 31st March, 2021).

Credit Quality of Assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are discussed in Note 43.

Particulars	March 31, 2022				March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
High grade	14,64,411.42	-	-	14,64,411.42	14,53,498.37	-	-	14,53,498.37
Standard grade	1,00,780.13	-	-	1,00,780.13	1,83,709.62	-	-	1,83,709.62
Sub-standard grade	-	69,190.90	-	69,190.90	-	1,70,138.15	-	1,70,138.15
Past due but not impaired	-	47,971.74	-	47,971.74	-	25,633.41	-	25,633.41
Non- performing								
Individually impaired	-	-	49,959.29	49,959.29	-	-	35,958.45	35,958.45
Total	**15,65,191.55**	**1,17,162.63**	**49,959.29**	**17,32,313.47**	**16,37,207.99**	**1,95,771.56**	**35,958.45**	**18,68,937.99**

An analysis of changes in the gross carrying amount in relation to receivables under financing activities is, as follows:

Particulars	2021-22				2020-21			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	16,37,207.99	1,95,771.56	35,958.45	18,68,937.99	13,67,509.82	20,242.61	26,260.47	14,14,012.90
New assets originated or purchased	40,89,066.60	-	-	40,89,066.60	38,34,347.65	-	-	38,34,347.65
Assets derecognised or repaid (excluding write offs)	(30,54,553.21)	(6,72,673.57)	(4,98,464.33)	-42,25,691.12	(29,26,077.61)	(3,33,204.23)	(1,16,527.82)	(33,75,809.65)
Assets written off during the period	-	-	-	-	-	-	(3,612.90)	(3,612.90)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	(6,99,565.86)	6,99,565.86	-	-	(5,09,699.88)	5,09,699.88	-	-
Transfers to Stage 3	(4,06,963.97)	(1,05,501.21)	5,12,465.17	-	(1,28,871.99)	(966.71)	1,29,838.69	-
Gross carrying amount closing balance	**15,65,191.55**	**1,17,162.63**	**49,959.29**	**17,32,313.47**	**16,37,207.99**	**1,95,771.56**	**35,958.45**	**18,68,937.99**

Reconciliation of ECL balance is given below:

Particulars	2021-22				2020-21			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	5,921.14	697.92	17,020.78	23,639.85	4,385.50	134.16	17,691.18	22,210.84
New assets originated or purchased	18,778.31	-	-	18,778.31	13,867.08	-	-	13,867.08
Assets derecognised or repaid (excluding write offs)	(12,430.05)	(4,100.09)	(2,27,807.41)	(2,44,337.55)	(10,022.02)	(1,249.86)	(58,516.11)	(69,787.99)
Assets written off during the period	-	-	-	-	-	-	(3,612.90)	(3,612.90)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	(3,212.63)	3,212.63		-	(1,843.35)	1,843.35	-	-
Transfers to Stage 3	(1,868.91)	(752.63)	2,621.54	-	(466.07)	(3.45)	469.52	-
Impact on year end ECLs of exposures transferred between stages during the year	-	1,777.99	2,30,933.98	2,32,711.97	-	(26.28)	60,989.10	60,962.82
ECL allowance - closing balance	**7,187.86**	**835.83**	**22,768.90**	**30,792.59**	**5,921.14**	**697.92**	**17,020.78**	**23,639.85**

Transferred financial assets that are derecognised in their entirety but where the Company has continuing involvement

The Company had sold some loans and advances measured at amortised cost, as a source of finance in previous reporting periods. As per terms of the deal, risk and reward had been transferred to the customer. Hence, as per the derecognition criteria of IND AS 109, including transfer of substantially all risks and rewards relating to assets being transferred to the buyer being met, the assets were derecognised. The table below summarises the carrying amount of the derecognised financial assets:

Particulars	As at 31st March 2022	As at 31st March 2021
Carrying amount of derecognised financial assets	-	1,111.52
Gain/(loss) from derecognition	-	14,552.26

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(Rupees in lakhs, except for share data and unless otherwise stated)

9 Investments

Particulars	As at 31st March 2022	As at 31st March 2021
(i) At Amortized Cost / At Cost		
Debt securities (At Amortized Cost)		
Bonds		
St. Gregorious Medical Mission Bonds	-	300.00
Unlisted Debentures		
Investment Richa Lifespace Private Limited	612.50	612.50
Investment Diyug Construction Private Limited	282.85	282.85
Investment Richa Realtors Private Limited	1,300.00	1,300.00
Equity instruments (At Cost)		
Subsidiary-Unquoted*		
Investment in Muthoot Housing Finance Company Limited	14,791.02	14,791.02
Investment in Muthoot Pappachan Technologies Limited	3.00	3.00
	16,989.37	**17,289.37**
(ii) At Fair Value through Profit or Loss		
Others - Quoted		
Investment in JM Financial India Fund II	156.37	106.90
Alternate Investment Funds		
Investment in Strugence Debt Fund	997.48	1,000.00
Investment in BPEA India Credit - Trust II	514.24	1,000.00
	1,668.09	**2,106.90**
(iii) At Fair Value through Other Comprehensive Income		
Equity instruments		
Subsidiary-Unquoted		
Investment in Muthoot Microfin Limited	1,42,977.72	1,40,748.12
Others-Quoted		
Investment in Equity Shares (DP account with Motilal Oswal)	1,646.32	1,038.94
Others-Unquoted		
Investment in Muthoot Pappachan Chits Private Limited	15.14	6.52
Investment in Avenues India Private Limited	477.67	477.48
Investment in Fair Asset Technologies (P) Limited	719.85	703.59
Investment In The Thinking Machine Media Private Limited	9.00	9.00
Investment In Speckle Internet Solutions Private Limited	198.10	-
Others - Quoted		
Investment in PMS - Motilal Oswal	465.24	631.11
	1,46,509.05	**1,43,614.76**
Total Gross (A)	**1,65,166.50**	**1,63,011.03**
i) Investments outside India	-	-
ii) Investments in India	1,65,166.50	1,63,011.03
Total Gross (B)	**1,65,166.50**	**1,63,011.03**
Less : Allowance for impairment loss (C)	(1,207.44)	(1,207.44)
Total ((A) - (C))	**1,63,959.06**	**1,61,803.59**

Debt Instruments measured at Amortised Cost

Credit Quality of Assets

Particulars	31/03/2022				31/03/2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
High grade	-	-	-	-	300.00	-	-	**300.00**
Standard grade	-	-	-	-	-	-	-	-
Sub-standard grade	-	-	-	-	-	-	-	-
Past due but not impaired	-	-	-	-	-	-	-	-
Non- performing								
Individually impaired	-	-	2,195.35	2,195.35	-	-	2,195.35	**2,195.35**
Total	**-**	**-**	**2,195.35**	**2,195.35**	**300.00**	**-**	**2,195.35**	**2,495.35**

An analysis of changes in the gross carrying amount in relation to Debt Instruments measured at Amortised Cost is, as follows

Particulars	31/03/2022				31/03/2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	300.00	-	2,195.35	2,495.35	300.00	-	2,195.35	2,495.35
New assets originated or purchased	-	-	-	-	-	-	-	-
Assets derecognised or repaid (excluding write offs)	(300.00)	-	-	(300.00)	-	-	-	-
Assets written off during the period	-	-	-	-	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	**-**	**-**	**2,195.35**	**2,195.35**	**300.00**	**-**	**2,195.35**	**2,495.35**

Reconciliation of ECL balance is given below:

Particulars	31/03/2022				31/03/2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	-	-	1,207.44	1,207.44	-	-	1,207.44	1,207.44
New assets originated or purchased	-	-	-	-	-	-	-	-
Assets derecognised or repaid (excluding write offs)	-	-	-	-	-	-	-	-
Assets written off during the period	-	-	-	-	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
ECL allowance - closing balance	**-**	**-**	**1,207.44**	**1,207.44**	**-**	**-**	**1,207.44**	**1,207.44**

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10 Other financial assets

Particulars	As at 31st March 2022	As at 31st March 2021
Security deposits	6,652.67	6,778.81
Interest accrued on fixed deposits with banks	345.94	37.68
Advance for Financial Assets	2,209.63	5,209.63
Deposits	169.00	128.28
Deposit with original maturity for more than twelve months*	1,084.26	5,152.27
Receivables from Auction Proceeds	-	11.03
Other financial assets	2,588.38	1,941.86
Total	**13,049.87**	**19,259.56**

* Includes earmarked balances of INR 1,091.19 as at 31st March 2022 (31st March 2021 - INR 5,151.57) towards margin money, loan against FD & security to Pension Fund Regulatory and Development Authority.

(i) Other Financial Assets above consists of the following receivables due from directors or other officers of the Company either severally or jointly with any other person or from firms or private companies respectively in which any director is a partner, a director or a member:

Particulars	As at 31st March 2022	As at 31st March 2021
From Directors, relatives of Directors or Officers of the Company	-	-
From firms in which any director is a partner	2,209.63	5,209.63
From Companies in which any director is a director or a member	1,029.90	266.67
Total	**3,239.53**	**5,476.30**

11 Investment Property

Particulars	As at 31st March 2022	As at 31st March 2021
Inventory – Projects		
Opening Balance		30,236.55
Transferred from / (to) property, plant and equipment	-	-
Acquisitions	30,236.55	-
Closing balance	**30,236.55**	**30,236.55**
Depreciation and Impairment		
Opening balance	-	-
Charge for the year	-	-
Closing Balance	-	-
Net Block	**30,236.55**	**30,236.55**

11.1. Investment Property includes lien marked properties of INR 9,460.56 as at 31st March, 2022 (March 31, 2021 - INR 13,577.41)
11.2. Fair Value of Investment Property as at March 31, 2022 - INR 31,593.16 (March 31, 2021 - INR 31,089.98)
11.3. Investment Property does not contain any immovable property which is not held in the name of the company

MUTHOOT FINCORP LIMITED

Standalone Notes to financial statements for the year ended 31st March 2022

(Rupees in lakhs, except for share data and unless otherwise stated)

12 Property, Plant and Equipment

Particulars	Buildings	Computer	Furniture & Fixtures	Land	Plant & Equipment	Vehicles	Windmill	Office Equipment	Equipment - Finance Lease	Total
As at 31st March 2020	**5,850.61**	**4,172.38**	**21,845.96**	**12,555.55**	**12,801.86**	**223.88**	**7,449.78**	**109.56**	**-**	**65,009.59**
Addition during the year	-	459.84	964.91	-	1,208.85	69.07	-	126.78	-	**2,829.46**
Disposals	-	-	-	-	-	-	-	-	-	-
As at 31st March 2021	**5,850.61**	**4,632.22**	**22,810.88**	**12,555.55**	**14,010.71**	**292.95**	**7,449.78**	**236.35**	**-**	**67,839.05**
Addition during the year	-	592.96	1,424.05	-	1,087.38	13.06	-	108.98	-	**3,226.44**
Disposals	-	-	-	-	-	-	-	-	-	-
As at 31st March 2022	**5,850.61**	**5,225.19**	**24,234.93**	**12,555.55**	**15,098.09**	**306.01**	**7,449.78**	**345.33**	**-**	**71,065.49**
Accumulated Depreciation:										
As at 1st April 2020	**297.01**	**2,489.99**	**10,682.57**	**-**	**4,499.13**	**174.34**	**1,536.63**	**7.61**	**0.00**	**19,687.28**
Charged for the year	98.91	978.43	3,016.97	-	2,194.74	26.94	511.74	10.31	-	**6,838.05**
Disposals	-	-	-	-	-	-	-	-	-	-
As at 31st March 2021	**395.92**	**3,468.42**	**13,699.53**	**-**	**6,693.87**	**201.28**	**2,048.38**	**17.92**	**0.00**	**26,525.32**
Charged for the year	66.19	1,058.88	450.79	-	3,398.75	16.44	511.74	121.96	-	**5,624.75**
Disposals	-	-	-	-	-	-	-	-	-	-
As at 31st March 2022	**462.12**	**4,527.30**	**14,150.32**	**-**	**10,092.62**	**217.71**	**2,560.12**	**139.88**	**0.00**	**32,150.07**
Net book value:										
As at 31st March 2021	**5,454.69**	**1,163.80**	**9,111.34**	**12,555.55**	**7,316.84**	**91.68**	**5,401.40**	**218.42**	**-**	**41,313.73**
As at 31st March 2022	**5,388.50**	**697.89**	**10,084.61**	**12,555.55**	**5,005.47**	**88.29**	**4,889.66**	**205.45**	**-**	**38,915.42**

12.1. Property Plant & Equipment details does not contain any immovable property which is not held in the name of the company

13 Other Intangible assets

Particulars	Computer Software
As at 31st March 2020	**1,344.41**
Addition during the year	838.68
Disposals	-
As at 31st March 2021	**2,183.08**
Addition during the year	576.17
Disposals	-
As at 31st March 2022	**2,759.25**
Accumulated Depreciation:	
As at 31st March 2020	**906.72**
Charged for the year	442.60
Disposals	-
As at 31st March 2021	**1,349.32**
Charged for the year	472.35
Disposals	-
As at 31st March 2022	**1,821.67**
Net book value:	
As at 31st March 2021	**833.76**
As at 31st March 2022	**937.59**

(Rupees in lakhs, except for share data and unless otherwise stated)

14 Right-of-use assets & Lease Liability

14.1. The Company operates its branch network predominantly through premises taken on lease at strategic locations identified by the management. Majority of the lease arrangements are long term in nature and are non-cancellable from the point of view of the lessor, except for a few lease contracts. Other than such leasehold property, the Company has also undertaken lease arrangements for Safety Device Equipments , whose original lease tenures too are not short-term in nature.

Particulars	As at 31st March 2022	As at 31st March 2021
Depreciation charge for Right-of-use assets		
Leasehold Property	14,939.21	14,937.51
Equipments	34.17	399.42
Vehicles	-	19.32
Interest expense on lease liabilities	6,031.00	4,600.09
Income from subleasing right-of-use assets	158.79	172.13
Total cash outflow for leases	17,821.39	16,609.79
Carrying amount of right-of-use assets		
Leasehold Property	57,935.47	43,489.56
Equipments	4.21	38.38
Vehicles	-	-
Lease Liability		
Leasehold Property	64,651.55	47,798.13
Equipments	4.90	43.78
Vehicles	-	-

14.2. The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	As at 31st March 2022	As at 31st March 2021
Short-term leases	23.38	91.16
Leases of low value assets	-	-
Variable lease payments	-	-

14.3. Carrying value of right-of-use assets at the end of the reporting period:

Particulars	As at 31st March 2022	As at 31st March 2021
Balance as at April 1, 2021 / April 1, 2020	43,527.94	45,001.80
Additions	29,385.12	13,882.39
Depreciation charge for the year	(14,973.39)	(15,356.24)
Balance as at March 31, 2022 / March 31, 2021	57,939.67	43,527.94

14.4. Movement in lease liabilities:

Particulars	As at 31st March 2022	As at 31st March 2021
Balance as at April 1, 2021 / April 1, 2020	47,841.90	46,447.77
Additions	28,604.94	13,403.84
Interest on lease liabilities	6,031.00	4,600.09
Payment of lease liabilities	(17,821.39)	(16,609.79)
Balance as at March 31, 2022 / March 31, 2021	64,656.45	47,841.90

14.5. Maturity analysis of lease liabilities

Particulars	As at 31st March 2022	As at 31st March 2021
Less than one year	13,816.74	14,919.42
One to five years	46,664.33	32,507.36
More than five years	37,462.86	23,342.34
Total undiscounted lease liabilities	97,943.93	70,769.12

15 Other Non-Financial assets

Particulars	As at 31st March 2022	As at 31st March 2021
Prepaid expenses	597.51	554.78
Advance to Creditors	451.04	2,945.72
Advance for Property	23,790.54	23,790.54
Pre-Deposit Fee	619.45	503.45
GST / Service Tax Receivables	529.58	824.92
Gratuity Fund	2,598.21	824.57
Other Receivable	2,533.67	2,571.84
Total	**31,120.00**	**32,015.82**

(a) Advance for Property as on March 31, 2022 consists of - INR 1,722.40 (P.Y. INR 1,722.40), INR 1,487.26 (P.Y. INR 1,487.26) and INR 20,580.88 (P.Y.INR 20,580.88) advanced by the Company to its Directors and their relatives, M/s. MPG Hotels & Infrastructure Ventures Private Limited (a Company in which the Directors are interested) and M/s. Muthoot Estate Investments (a firm in which the Directors of the Company are partners) respectively for purchase of immovable property by the Company from them.

16 Payables

Particulars	As at 31st March 2022	As at 31st March 2021
Trade payables:		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprise	-	-
Other payables:		
Total outstanding dues of micro enterprises and small enterprises	79.03	45.85
Total outstanding dues of creditors other than micro enterprises and small enterprise*	4,703.28	1,724.99
Total	**4,782.30**	**1,770.85**

(i)Disclosure under Micro, Small, and Medium Enterprises Development Act, 2006 :

Based on the intimation received by the Company, some of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, the disclosures relating to amounts unpaid as at the year ended together with interest paid /payable are furnished below:

Particulars	As at 31st March 2022	As at 31st March 2021
Principal amount remaining unpaid during the year	79.03	45.85
Interest due thereon	-	-
Interest remaining accrued and unpaid at the end of the year	-	-
Total interest accrued and remained unpaid at year end	-	-

(ii) Ageing Schedule of Trade Payables (As on 31/03/2022)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	65.57	5.47	-	-	71.04
(ii) Others	4,517.38	148.04	8.23	0.93	4,674.57
(iii) Disputed Dues- MSME	-	6.99	-	1.00	7.99
(iv) Disputed Dues- Others	11.05	6.48	9.43	1.75	28.71
Total	**4,593.99**	**166.98**	**17.66**	**3.67**	**4,782.30**

Ageing Schedule of Trade Payables (As on 31/03/2021)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	44.85	-	-	-	44.85
(ii) Others	1,598.34	25.54	60.05	0.57	1,684.50
(iii) Disputed Dues- MSME	-	-	1.00	-	1.00
(iv) Disputed Dues- Others	26.18	11.47	2.61	0.23	40.49
Total	**1,669.38**	**37.01**	**63.66**	**0.80**	**1,770.85**

17 Debt Securities (At Amortised Cost)

Particulars	As at 31st March 2022	As at 31st March 2021
Secured Non-Convertible Debentures	88.00	148.00
Secured Non-Convertible Debentures - Listed*	2,36,211.88	3,25,149.16
Secured Non-Convertible Debentures - Covered Bonds - Listed*	1,43,079.15	1,11,289.30
Total	**3,79,379.03**	**4,36,586.45**
Debt securities in India	3,79,379.03	4,36,586.45
Debt securities outside India	-	-
Total	**3,79,379.03**	**4,36,586.45**

**Includes issue expenses amortised as per EIR.*

Maturity Profile of Non-Convertible Debentures

Particulars	Amount
FY 2022-23	1,43,599.45
FY 2023-24	1,37,813.84
FY 2024-25	41,932.48
FY 2025-26	31,981.86
FY 2026-27	12,889.76
FY 2027-28	2,783.06
FY 2029-30	9,728.70
Adjustments on account of effective rate of interest	(1,350.12)
TOTAL	**3,79,379.03**

Particulars	As at 31st March 2022	As at 31st March 2021	Security
Debentures issued by way of Private Placement			
Allotment on 01/10/2018	88.00	148.00	Subservient charge on all current assets of the Company, both present and future
Listed Debentures issued by way of Public Issue			
Allotment on 02/02/2022	40,000.00	-	Subservient charge with existing secured creditors on all loan receivables (both present and future) of the company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders
Allotment on 29/10/2021	24,956.79	-	Subservient charge with existing secured creditors on all loan receivables (both present and future) of the company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders
Allotment on 07/05/2021	17,586.43	-	Subservient charge with existing secured creditors on all loan receivables (both present and future) of the company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders
Allotment on 15/03/2021	16,965.09	16,965.09	Subservient charge with existing secured creditors on all loan receivables (both present and future) of the company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders.
Allotment on 29/01/2021	26,698.38	26,698.38	Subservient charge with existing secured creditors on all loan receivables (both present and future) of the company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders.
Allotment on 29/10/2020	39,713.43	39,713.43	Subservient charge with existing secured creditors, on certain loan receivables (both present and future) of the Company, to be held on pari passu basis among the present and / or future NCD holders.

Particulars	As at 31st March 2022	As at 31st March 2021	Security
Allotment on 17/07/2020	16,000.00	16,000.00	Subservient charge with existing secured creditors, on certain loan receivables (both present and future) of the Company and mortgage and charge over the immovable property admeasuring 54 cents situated at Survey No 764/6A, Arulvaimozhy Village, Thovala Thaluk, Kanyakumari District, Tamil Nadu, to be held on pari passu
Allotment on 07/02/2020	17,374.50	21,439.95	Subservient charge with existing secured creditors, on certain loan receivables (both present and future) of the Company.
Allotment on 25/10/2019	27,596.53	30,376.20	Exclusive mortgage and first charge over the immovable property admeasuring 5.19 cents situated at Survey No: 537, Samugarengapuram Village, Radhapuram Taluk, Tirunelveli District, Tamilnadu and a subservient charge on certain loan receivables (both present and future) of the company.
Listed Debentures privately placed under Targeted Long-Term Repo Operations (TLTRO) / Partial Credit Guarantee Scheme (PCGS)			
Allotment on 20/08/2020	-	27,500.00	First Pari-passu charge on the present and future current assets of the Company along with other lenders and NCD investors with a minimum asset coverage ratio of 1.10 times of the value of the outstanding principal amounts of the Debentures.
Allotment on 14/08/2020	-	25,000.00	First Pari-passu charge on the present and future current assets of the Company along with other lenders and NCD investors with a minimum asset coverage ratio of 1.10 times of the value of the outstanding principal amounts of the Debentures.
Allotment on 31/07/2020	-	20,000.00	First Pari-passu charge on the present and future current assets of the Company along with other lenders and NCD investors with a minimum asset coverage ratio of 1.10 times of the value of the outstanding principal amounts of the Debentures.
Allotment on 28/07/2020	-	47,500.00	First Pari-passu charge on the present and future current assets of the Company along with other lenders and NCD investors with a minimum asset coverage ratio of 1.10 times of the value of the outstanding principal amounts of the Debentures.
Allotment on 23/06/2020	-	45,000.00	First Pari-passu charge (to be shared with other NCD Holder / Lender), by way of a registered mortgage, on the Immovable Property to the extent of 2 acres of land, situated in Sy. No1253/2, Patta No 2414, Erukkanthurai Village (Part 1), Radhapuram Taluk (and sub registry), Tirunelveli District, Tamil Nadu and first pari-passu charge on the present and future standard loan receivables along with other lenders and NCD investors with a minimum asset coverage ratio of 1.25 times of the value of the outstanding principal amounts of the Debentures.
Allotment on 28/05/2020	10,000.00	10,000.00	First Pari-passu charge on the present and future standard loan receivables along with other lenders and NCD investors with a minimum asset coverage ratio of 1.10 times the value of the outstanding principal amounts of the Debentures.

Non Convertible Debentures issued in the form of Covered Bond			
Particulars	**As at 31st March 2022**	**As at 31st March 2021**	**Security**
Allotment on 15/12/2021	20,000.00	-	First Pari-passu charge on the present and future current assets of the Company along with other lenders and NCD investors with a minimum asset coverage ratio of 1.10 times of the value of the outstanding principal amounts of the Debentures
Allotment on 17-08-2021	3,750.00	-	Hypothecation over Cover Pool and C&P Account to be created upfront by the Trust in favour of Security Trustee. Cover of 1.15 times the outstanding NCDs to be maintained at all times Hypothecation over: (i) Contribution (ii) right, title and interest of the Borrower in the property belonging to the Trust, as a residual beneficiary; and (iii) in the event that the transfer of the assets from the Borrower to the Trust is reversed for any reason whatsoever, then all right, title and interest of the Borrower in the said assets (iv) Cash Collateral of 7% of Facility Amount (static) in the form of Fixed Deposits to be created upfront by the Company in favour of Debenture Trustee, to be created by the Borrower upfront and CHG 9 to be filed within 30 days from date of first disbursement by Borrower in favour of Security Trustee
Allotment on 29-06-2021	30,000.00	-	First ranking exclusive and continuing charge to be created pursuant to the Deed of Hypothecation on book debts which shall be maintained at 1.20 times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon, Default Interest accrued thereon
Allotment on 17-03-2021	10,000.00	10,000.00	First ranking exclusive and continuing charge to be created pursuant to the Deed of Hypothecation on book debts which shall be maintained at 1.20 times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon, Default Interest accrued thereon.
Allotment on 16-03-2021	22,500.00	22,500.00	First ranking exclusive and continuing charge to be created pursuant to the Deed of Hypothecation on book debts which shall be maintained at 1.20 times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon, Default Interest accrued thereon.
Allotment on 04-02-2021	10,000.00	10,000.00	First ranking exclusive and continuing charge to be created pursuant to the Deed of Hypothecation on book debts which shall be maintained at 1.15 times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon.
Allotment on 16-12-2020	7,500.00	7,500.00	First ranking exclusive and continuing charge to be created pursuant to the Deed of Hypothecation on book debts which shall be maintained at 1.15 times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon

Particulars	As at 31st March 2022	As at 31st March 2021	Security
Allotment on 10-12-2020	7,500.00	7,500.00	First ranking exclusive and continuing charge to be created pursuant to the Deed of Hypothecation on book debts which shall be maintained at 1.15 times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon.
Allotment on 24-11-2020	12,500.00	12,500.00	First ranking exclusive and continuing charge to be created pursuant to the Deed of Hypothecation on book debts which shall be maintained at 1.15 times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon.
Allotment on 08-09-2020	-	9,710.00	First ranking exclusive and continuing charge to be created pursuant to the Deed of Hypothecation on book debts which shall be maintained at 1.15 times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon, Default Interest accrued thereon.
Allotment on 22-05-2020	20,000.00	20,000.00	First ranking pari passu charge by way of mortgage over, all the right, title and interest of the Company in all that piece and parcel of the vacant land measuring an extent of Cents 28 (Hec.0.11.34) in Survey No. 1490,Tirunelveli District, Panagudi, Pazhavoor Village, Ayan Punja and continuing charge on book debts which shall be maintained at 1.15 times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon, Default Interest accrued thereon.
Allotment on 25-03-2020	-	12,500.00	First ranking pari passu charge by way of mortgage over, all the right, title and interest of the Company in all that piece and parcel of the vacant land measuring an extent of Cents 28 (Hec.0.11.34) in Survey No. 1490,Tirunelveli District, Panagudi, Pazhavoor Village, Ayan Punja and first ranking exclusive and continuing charge on book debts which shall be maintained at 1.15 times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon, Default Interest accrued thereon.
TOTAL	**3,80,729.15**	**4,38,551.05**	
Adjustments on account of effective rate of interest	(1,350.12)	(1,964.60)	
TOTAL	**3,79,379.03**	**4,36,586.45**	

18 Borrowings (other than debt securities) - At Amortised Cost

Particulars	As at 31st March 2022	As at 31st March 2021
(a) Term loans		
(i) from banks	4,23,033.35	3,82,709.84
(ii) from other parties		
- financial institutions	2,182.70	942.64
(b) Loans repayable on demand		
(i) from banks (OD & CC)	7,28,350.96	7,15,184.37
Total	**11,53,567.02**	**10,98,836.85**
Borrowings in India	11,53,567.02	10,98,836.85
Borrowings outside India	-	-

a) Security details :

Secured Term loans from banks

The Loans are secured by way of hypothecation of Loan receivables, other current assets & specified fixed assets of the Company equivalent to security cover stipulated by respective banks. The loans aggregating to INR 4,14,367 (31st March 2021 : INR 383,176) are guaranteed by promoter directors (Mr. Thomas John Muthoot, Mr.Thomas George Muthoot, Mr. Thomas Muthoot and Preethi John Muthoot) of the Company.

Secured Term loans from other parties

The Loans are secured by way of hypothecation of Loan Receivables of the Company equivalent to security cover stipulated by respective lender. The loans aggregating to INR 2,187.50 are guaranteed by the promoter director, Mr. Thomas John Muthoot

Secured Loans repayable on demand

The Cash credit limit from banks are secured by way of hypothecation of Loan Receivables of the Company equivalent to security cover stipulated by respective banks. The Cash credit aggregating to INR 7,29,238 (31st March 2021 : INR 767,500) are guaranteed by promoter directors (Mr. Thomas John Muthoot, Mr.Thomas George Muthoot and Mr. Thomas Muthoot) of the Company.

b) Terms of repayment

Secured loans from Banks

Name of Party	As at 31st March 2022	As at 31st March 2021	Terms of Repayment (based on last outstanding)
Term Loan from Banks			
1. State Bank of India Car Loan	6.51	12.07	Repayable in 16 monthly instalments on diminishing value method
2. State Bank of India Car Loan	4.20	6.12	Repayable in 24 monthly instalments on diminishing value method
3.Allahabad Bank	0.00	10,067.89	Repayable in 3 quarterly instalments of INR 3,333.00 each from May 2021
4. Axis Bank	-	20,146.08	Repayable in 4 quarterly instalments of INR 5,000.00 each from June 2021
5. Axis Bank	17,500.00	-	Repayable in 7 quarterly instalments of INR 2,500.00 each from July 2022
6. Bank of Baroda	2,000.00	6,000.00	Repayable in 2 quarterly instalments of INR 1,000.00 each from June 2022
7.Bank of Baroda	18,000.00	30,000.00	Repayable in 6 quarterly instalments of INR 3,000.00 each from April 2022
8. Bank of India	12,000.00	24,000.00	Repayable in 4 quarterly instalments of INR 3,000.00 each from June 2022
9. Bank of Maharashtra	-	3,781.85	Repayable by April 15, 2021
10. Bank of Maharashtra	10,580.28	-	Repayable in 7 quarterly instalments of INR 1,500.00 each from June 2022
11. Canara Bank	25,908.00	43,180.00	Repayable in 6 quarterly instalments of INR 4,318.00 each from June 2022
12. Canara Bank	30,000.00	-	Repayable in 10 quarterly instalments of INR 3,000.00 each from June 2022
13. Central Bank of India	5,914.92	17,988.27	Repayable in 2 quarterly instalments of INR 3,000.00 each from May 2022
14. Central Bank of India	3,697.76	18,747.67	Repayable in June 2022
15. Central Bank of India	5,599.23	7,499.32	Repayable in 6 quarterly instalments of INR 937.5 each from May 2022

Name of Party	As at 31st March 2022	As at 31st March 2021	Terms of Repayment (based on last outstanding)
16. Central Bank of India	5,612.06	3,750.00	Repayable in 6 quarterly instalments of INR 937.50 each from May 2022
17. Central Bank of India	9,999.44	-	Repayable in 10 quarterly instalments of INR 1,000.00 each from June 2022
18. Central Bank of India	19,986.36	-	Repayable in 10 quarterly instalments of INR 2,000.00 each from June 2022
19. DBS Bank	5,000.00	-	Repayable in 21 monthly instalments of INR 238.00 each from July 2022
20. DBS Bank	5,000.00	-	Repayable in 21 monthly instalments of INR 238.00 each from July 2022
21. Indian Bank	18,134.56	30,222.95	Repayable in 6 quarterly instalments of INR 3,000.00 each from June 2022
22. Indian Bank	24,349.30	-	Repayable in 29 monthly instalments of INR 833.00 each from April 2022
23. Indian Bank	10,002.26	-	Repayable in 15 quarterly instalments of INR 667.00 each from June 2022
24. Oriental Bank of Commerce	-	8,333.32	Repayable in 5 quarterly instalments of INR 1,666.67 each in April 21, June 21, September 21, December 21 & March 22
25. Oriental Bank of Commerce	3,309.56	9,999.98	Repayable in 2 quarterly instalments of INR 1,666.67 each in June 2022, September 2022
26. Punjab National Bank	30,000.00	-	Repayable in 11 quarterly instalments of INR 2727.00 each from September 2022
27. Punjab & Sind Bank	8,000.00	10,000.01	Repayable in 8 quarterly instalments of INR 1,000.00 each from June 2022
28. Punjab & Sind Bank	15,000.00	-	Repayable in 10 quarterly instalments of INR 1,500.00 each from May 2022
29. Punjab & Sind Bank	7,500.00	-	Repayable in 10 quarterly instalments of INR 750.00 each from September 2022
30. State Bank of India	-	19,999.85	Repayment in single bullet payment on June 30, 2021
31. State Bank of India	24,499.66	34,999.94	Repayable in 8 Quarterly Instalments; INR 3,500.00 by end of May 2022 and INR 3,000.00 each for the remaining quarterly instalments
32. State Bank of India	32,499.85	-	Repayable in 10 quarterly instalments of INR 3250.00 each from August 2022
33. Syndicate Bank	-	1,013.22	Repayable in June 2021
34. UCO Bank	5,617.37	8,117.37	Repayable in 9 quarterly instalments of INR 625.00 each from Jun 2022
35. UCO Bank	9,371.72	12,496.74	Repayable in 12 quarterly instalments of INR 781.25 each from May 2022
36. UCO Bank	8,740.60	13,745.87	Repayable in 7 quarterly instalments of INR 1,250.00 each from April 2022
37. UCO Bank	9,982.33	14,992.58	Repayable in 8 quarterly instalments of INR 1,250.00 each from May 2022

Name of Party	As at 31st March 2022	As at 31st March 2021	Terms of Repayment (based on last outstanding)
38. UCO Bank	13,124.73	-	Repayable in 14 quarterly instalments of INR 937.50 each from April 2022
39. UCO Bank	13,000.00	-	Repayable in 16 quarterly instalments of INR 812.50 each from June 2022
40. United Bank of India	3,308.46	16,666.63	Repayable in May 2022
41. Ujjivan Bank	2,600.00	6,500.00	Repayable in 2 quarterly instalments of INR 1,300.00 each from June 2022
42. Yes Bank	8,528.84	11,372.84	Repayable in 12 quarterly installments of INR 711.00 each
Adjustments on account of effective rate of interest	(1,344.65)	(930.71)	
Total	**4,23,033.35**	**3,82,709.84**	
Term Loan from Others			
1. Mahindra & Mahindra Financial Services Limited	-	944.17	Repayable in 6 monthly instalments of INR 162.14 from April 2021
2. Bajaj Finance	2,187.50	-	Repayable in 15 monthly instalments of INR 146.00 each from April 2022
Adjustments on account of effective rate of interest	(4.80)	(1.53)	
Total	**2,182.70**	**942.64**	

19 Subordinated Liabilities (At Amortised Cost)

Particulars	As at 31st March 2022	As at 31st March 2021
Subordinated Debt	1,61,814.67	2,08,973.13
Subordinated Debt - Listed*	38,292.73	14,407.40
Tier-I Capital - Perpetual Debt Instruments*	38,419.24	26,131.54
Total	**2,38,526.64**	**2,49,512.07**
Borrowings in India	2,38,526.64	2,49,512.07
Borrowings outside India	-	-

**Includes issue expenses amortised as per EIR.*

(a) Subordinated Debt instruments are unsecured, subordinated to the claims of all other creditors with an initial maturity of minimum 5 years. Subordinated Debt aggregating to INR 7,848 (31st March 2021 : INR 10,000) are guaranteed by promoter directors (Mr. Thomas John Muthoot, Mr.Thomas George Muthoot and Mr. Thomas Muthoot) of the Company.

(b) Maturity Profile of Subordinated Debt

Particulars	Amount
FY 2022-23	43,498.30
FY 2023-24	49,005.09
FY 2024-25	25,991.84
FY 2025-26	15,876.99
FY 2026-27	24,804.50
FY 2027-28	21,247.71
FY 2028-29	20,176.03
Adjustments on account of effective rate of interest	(493.06)
TOTAL	**2,00,107.40**

(c) Perpetual Debt Instruments are perpetual, unsecured instruments, which have been issued as per RBI guidelines. Unamortised Borrowing Cost on Perpetual Debt Instruments is INR 1,480.76 (31st March 2021: INR 268.46).

(d) The percentage of total PDI to the Tier I Capital of the Company as at 31st March 2022 is 14.24% (31st March 2021 - 10.77%).

20 Other Financial Liabilities

Particulars	As at 31st March 2022	As at 31st March 2021
Interest Payable	54,416.47	44,552.94
Expenses Payable	2,264.72	1,723.19
Security deposits received	636.48	961.24
Unpaid matured debt and interest accrued thereon	3,368.83	2,953.63
Cumulative Compulsorily Convertible Preference Shares (CCCPS) (refer note a & b below)	15,213.00	-
Others	353.86	400.66
Total	**76,253.36**	**50,591.66**

Note a

(i) The Company has during the reporting year, issued 15,00,00,000, 14% CCCPS of INR 10 each at a price of INR 10 each to BPEA Credit – India Fund III – Scheme C & BPEA Credit – India Fund III – Scheme F (Collectively referred as investors) amounting to INR 15,000. The equity shares issued upon Conversion of the CCPS will in all respects rank pari passu with equity shares at the time of conversion.

(ii) CCCPS shall be convertible to equity shares at the option of the investor at any time after the expiry of a period of 43 (forty three) months from the Closing Date (refer paragraph iii for exception) or upon the expiry of a period of 10 (ten) years from the Closing Date and shall be converted at lower of the fair values of the Equity Shares as determined by the:
(a) valuation report dated December 9, 2020 issued by Ernst & Young Merchant Banking Services LLP in relation to the issuance of the CCCPS; or
(b) valuation report to be issued by a registered valuer (in a form acceptable to the holders of the CCCPS) following the issuance of the Conversion Notice by the holders of the CCCPS.

(iii) The holders of the CCCPS may issue the Conversion Notice at any time after the Closing Date, upon the occurrence of any of the following events:
(a) non-payment of dividend by the Company in manner stipulated as per agreement on the relevant dividend payment dates,
(b) credit rating of the Company falling below A- (as certified by any credit rating agency); and/or
(c) any failure by the Company to maintain a Net Interest Margin of 7.0 (Seven percent) % or higher;
(d) any failure by the Company to maintain an overall Capital to Risk Assets Ratio of 16.0 (Sixteen percent) % or higher;
(e) any failure by the Company to maintain the aggregate Tier 2 Capital at 50% (Fifty percent) or lower than the aggregate Tier 1 Capital; or
(f) any failure by the Company to maintain the Gross Non-Performing Assets at 5.5% (Five decimal five percent) or lower and Net Non-Performing Assets at 4.0% (Four percent) or lower, to be tested on a semi-annual basis for Company as on (a) 31 March of each financial year, and (b) 30 September of each financial year

Note b - Change in fair value

Particulars	As at 31st March 2022	As at 31st March 2021
Cumulative change in fair value of the preference shares attributable to changes in credit risk	213.00	-
Change during the year in the fair value of the preference shares attributable to changes in credit risk	213.00	-

21 Provisions

Particulars	As at 31st March 2022	As at 31st March 2021
Provision for employee benefits		
- Gratuity	2,711.72	2,537.49
- Provision for compensated absences	248.09	286.33
Total	**2,959.81**	**2,823.83**

22 Other Non-Financial Liabilities

Particulars	As at 31st March 2022	As at 31st March 2021
Statutory dues payable	1,634.89	1,265.63
Total	**1,634.89**	**1,265.63**

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MUTHOOT FINCORP LIMITED

Standalone Notes to financial statements for the year ended 31st March 2022

(Rupees in lakhs, except for share data and unless otherwise stated)

23 Equity share capital

(a) Authorised share capital:

Equity Shares

Particulars	No. of Shares	Amount
At 31st March 2020	20,00,00,000	20,000.00
Add: Increased during the year	2,50,00,000	2,500.00
At 31st March 2021	22,50,00,000	22,500.00
Add: Increased during the year	-	-
At 31st March 2022	22,50,00,000	22,500.00

Preference Shares

Particulars	No. of Shares	Amount
At 1st April 2020	-	-
Add: Increased during the year	20,00,00,000	20,000.00
At 31st March 2021	20,00,00,000	20,000.00
Add: Increased during the year	-	-
At 31st March 2022	20,00,00,000	20,000.00

(b) Issued capital

Particulars	No. of Shares	Amount
At 31st March 2020	19,38,00,800	19,380.08
Add: Increased during the year	-	-
At 31st March 2021	19,38,00,800	19,380.08
Add: Increased during the year	-	-
At 31st March 2022	19,38,00,800	19,380.08

(c) Subscribed and Fully Paid Up Capital

Particulars	No. of Shares	Amount
At 31st March 2020	19,37,05,560	19,370.56
Add: Increased during the year	-	-
At 31st March 2021	19,37,05,560	19,370.56
Add: Increased during the year	-	-
At 31st March 2022	19,37,05,560	19,370.56

(d) Terms/ rights attached to equity shares :

The Company has only one class of equity shares having a face value of INR 10. Each holder of equity share is entitled to one vote per share. All shares rank pari passu with regard to dividend and repayment of capital. In the event of liquidation of Company, the holder of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts.

(e) Shareholder's having more than 5% equity shareholding in the Company

Particulars	As at 31st March 2022	As at 31st March 2021
	No. of shares and % of holding	
Mr. Thomas John Muthoot	5,14,56,049 - 26.56%	5,08,43,764 - 26.25%
Mr. Thomas George Muthoot	5,14,56,021 - 26.56%	5,08,43,764 - 26.25%
Mr. Thomas Muthoot	5,14,56,053 - 26.56%	5,08,43,769 - 26.25%
Ms. Preethi John Muthoot	1,29,13,704 - 6.67%	1,35,25,989 - 6.98%
Ms. Nina George	1,29,13,704 - 6.67%	1,35,25,961 - 6.98%
Ms. Remy Thomas	1,29,13,704 - 6.67%	1,35,25,988 - 6.98%

(f) Shares held by the promoters at the end of the year

Particulars	As at 31st March 2022	As at 31st March 2021
	No. of shares and % of holding	
Mr. Thomas John Muthoot	5,14,56,049 - 26.56%	5,08,43,764 - 26.25%
Mr. Thomas George Muthoot	5,14,56,021 - 26.56%	5,08,43,764 - 26.25%
Mr. Thomas Muthoot	5,14,56,053 - 26.56%	5,08,43,769 - 26.25%

24 Other Equity

Particulars	As at 31st March 2022	As at 31st March 2021
Securities Premium	38,129.85	38,129.85
Statutory Reserve (pursuant to Section 45-IC of the RBI Act, 1934)	55,903.70	48,966.68
Retained Earnings	1,30,303.52	1,14,177.75
Other Comprehensive income	1,01,241.70	99,433.97
Total	**3,25,578.77**	**3,00,708.24**

24.1 Nature and purpose of reserve

Securities Premium

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

Statutory Reserve

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

Retained Earnings

This Reserve represents the cumulative profits of the Company. This is a free reserve which can be utilised for any purpose as may be required.

Other Comprehensive Income

Other comprehensive income consists of re-measurement of net defined benefit liability and fair value changes on equity instruments measured through other comprehensive income

(Rupees in lakhs, except for share data and unless otherwise stated)

25 Interest Income (On Financial Assets measured at Amortised Cost)

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
Interest on Loans	3,17,407.42	2,97,900.63
Interest Income from Investments	105.35	258.66
Interest on Deposit with Banks	1,247.97	316.94
Total	**3,18,760.74**	**2,98,476.23**

26 Others

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
Income from Money transfer	720.64	636.70
Income From Forex Operations	193.22	118.34
Income From Power Generation	920.85	974.21
Income from Investment	1,473.36	334.34
Other Income	24.30	23.02
Total	**3,332.38**	**2,086.62**

27 Finance Costs

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
Interest on Borrowings	83,647.71	97,779.39
Interest on Debt Securities	44,077.23	28,190.45
Interest on Subordinate Liabilities	21,904.26	29,307.89
Interest on Lease Liabilities	6,031.00	4,600.09
Dividend on CCCPS	1,050.00	-
Other Charges	6,837.58	6,820.27
Total	**1,63,547.79**	**1,66,698.09**

28 Impairment on Financial Instruments

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
Provision for impairment on loan assets	7,152.74	1,429.00
Loans written off	-	3,612.90
Total	**7,152.74**	**5,041.91**

29 Net (Gain) / Loss on fair value changes

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
(A) Net (gain)/ loss on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	18.27	53.91
(ii) On fair valuation of cumulative compulsorily convertible preference shares	213.00	-
Total Net gain/(loss) on fair value changes	**231.27**	**53.91**
Fair Value changes:		
- Realised	-	-
- Unrealised	231.27	53.91
Total Net gain/(loss) on fair value changes	**231.27**	**53.91**

(a) Fair value changes in this schedule are other than those arising on account of accrued interest income/expense.

30 Employee benefits expenses

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
Salaries and Wages	46,801.49	41,338.68
Contributions to Provident and Other Funds	2,833.83	2,337.37
Incentives	1,738.93	1,493.70
Bonus & Exgratia	1,793.85	1,602.64
Staff Welfare Expenses	522.75	1,748.67
Total	**53,690.84**	**48,521.07**

31 Depreciation expense

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
Depreciation of Tangible Assets	5,624.75	6,838.05
Amortization of Intangible Assets	472.35	442.60
Depreciation of Right of Use Assets	14,973.39	15,356.24
Total	**21,070.48**	**22,636.89**

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32 Other Expenses

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
Rent, taxes and energy costs	3,907.82	3,880.29
Repairs and maintenance	2,459.25	2,776.96
Advertisement and publicity	8,384.85	7,882.59
Communication costs	10,630.36	3,438.33
Printing and Stationery	982.89	872.40
Legal & Professional Charges	4,278.83	3,615.81
Insurance	1,162.31	688.21
Auditor's fees and expenses	37.33	36.32
Director's fees, allowances and expenses	559.71	152.06
Security Charges	4,675.40	4,328.99
Travelling and Conveyance	1,892.78	1,653.32
Donations & CSR Expenses	292.32	761.14
Other Expenditure	1,021.01	803.01
Total	**40,284.88**	**30,889.42**

(a) Auditors Remuneration

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
As auditor		
Statutory Audit fees	30.00	25.00
Tax Audit fees	2.00	2.00
For other services		
Certification and other matters	4.73	7.73
Total	**36.73**	**34.73**

Above figures are exclusive of GST

(a) CSR Expenditure

As required under Section 135 of the Companies Act, 2013, the Company was required to spend INR 692.06 lakhs in the reporting year in pursuance of its Corporate Social Responsibility Policy, being two per cent of the average net profits of the company made during the three immediately preceding financial years. The Company has during the year, spent a total of INR 290.33 lakhs towards CSR expenditure. The unspent portion has been transferred to the designated bank account for Unspent Corporate Social Responsibility by the Company.

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Particulars	As on 31-03-2022	As on 31-03-2021
(a) Amount required to be spent by the company during the year	692.06	464.74
(b)Amount of expenditure incurred	290.33	707.79
(c) Shortfall at the end of the year	401.73	-
(d) Total of previous year shortfall	-	242.86
(e) Reason for shortfall	Major portion of the funds was allocated for the Sports Infrastructure project at Palakkad. Due to COVID situations, the process of getting work permit has gotten delayed and is awaited from the concerned Department. The Smile Please mission- Gulbarga was not implemented since the Medical Council has not given consent due to the omicron spread in the region. One other partnership project in Rajasthan also got delayed due to the COVID third wave and Omicron challenges.	N/A
(f) Nature of CSR activities	CSR activities were undertaken in the fields of Health, Education & Livelihood.	CSR activities were undertaken in the fields of Health, Education & Livelihood.
(g) Details of related party trasactions	N/A	N/A
(h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	N/A	N/A

(b) The Company has not made any political contributions during the year ended 31st March 2022 (Year ended 31st March 2021 : 35.00).

33 Earnings Per Share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of the company (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
Net profit attributable to ordinary equity holders	34,685.13	36,953.74
Weighted average number of ordinary shares for basic earnings per share	19,37,05,560	19,37,05,560
Effect of dilution:	60,96,643	-
Weighted average number of ordinary shares adjusted for effect of dilution	19,98,02,203	19,37,05,560
Earnings per share		
Basic Earnings per share	17.91	19.08
Diluted Earnings per share	17.36	19.08

(Rupees in lakhs, except for share data and unless otherwise stated)

34 Income Tax

The components of income tax expense for the year ended 31st March, 2022 and year ended 31st March, 2021 are:

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
Current Income tax expense	13,719.62	13,504.00
Deferred tax relating to origination and reversal of temporary differences	(1,591.11)	(1,000.55)
Total tax expense reported in statement of profit and loss	**12,128.51**	**12,503.45**
OCI Section		
Deferred tax related to items recognised in OCI during the period:		
Net gain / (loss) on equity instruments measured through other comprehensive income	493.93	(3,703.03)
Remeasurement of the defined benefit liabilities	45.12	(16.70)
Income tax charged to OCI	**539.05**	**(3,719.73)**

Reconciliation of Income tax expense:

The income tax charge shown in the statement of profit and loss differ from the income tax charge that would apply if all the profits had been charged at India corporate tax rate. A reconciliation between the income tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended 31st March 2022 and year ended 31st March 2021 is, as follows:

Particulars	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
Accounting profit before tax	46,813.64	49,457.19
At India's statutory income tax rate of 25.168%* (2021: 25.168%*)	**11,782.06**	**12,447.38**
Adjustments in respect of current income tax of previous year		
(i) Expenses disallowed under the Income Tax Act	1,937.56	1,062.29
(ii) Income to the extent exempt under the Income Tax Act	-	(5.68)
Current Income Tax expense reported in the statement of profit or loss	**13,719.62**	**13,504.00**
Effective Income Tax Rate	**29.31%**	**27.30%**

*The Company has exercised the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

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

	Deferred tax assets	Deferred tax liabilities	Statement of profit and loss	OCI
	As at 31st March 2022	**As at 31st March 2022**	**2021-22**	**2021-22**
Opening Balance		**24,720.32**		
Fixed asset: Timing difference on account of Depreciation and Amortisation	355.65	-	(355.65)	-
Bonus Disallowed due to non-payment	113.57	-	(113.57)	-
Provision for gratuity	-	402.55	402.55	-
Provision for Leave Encashment	-	9.63	9.63	-
Impairment allowances on financial assets	1,078.12	-	(1,078.12)	-
Fair Valuation of Financial Assets	169.36	-	(663.29)	493.93
Financial liabilities measured at amortised cost	-	359.30	359.30	-
Financial assets measured at amortised cost	53.23	-	(53.23)	-
Financial liabilities measured at fair value	53.61	-	(53.61)	-
Actuarial gain/loss on Employee benefits	-	-	(45.12)	45.12
Total	**1,823.53**	**25,491.79**	**(1,591.11)**	**539.05**

	Deferred tax assets	Deferred tax liabilities	Statement of profit and loss	OCI
	As at 31st March 2021	**As at 31st March 2021**	**2020-21**	**2020-21**
Opening Balance		**29,440.60**		
Fixed asset: Timing difference on account of Depreciation and Amortisation	592.07	-	(592.07)	-
Bonus Disallowed due to non-payment	40.44	-	(40.44)	-
Provision for gratuity	25.69	-	(25.69)	-
Provision for Leave Encashment	17.24	-	(17.24)	-
Fair Valuation of Financial Assets	4,681.36	-	(978.32)	(3,703.03)
Financial liabilities measured at amortised cost	-	402.69	402.69	-
Financial assets measured at amortised cost	-	233.83	233.83	-
Actuarial gain/loss on Employee benefits	-	-	16.70	(16.70)
Total	**5,356.80**	**30,077.12**	**(1,000.55)**	**(3,719.73)**

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(Rupees in lakhs, except for share data and unless otherwise stated)

35 Retirement Benefit Plan

Defined Contribution Plan

The Company makes contributions to Provident Fund & Employee State Insurance which are defined contribution plans for qualifying employees. The amounts recognized for the aforesaid contributions in the statement of profit and loss are shown below:

Particulars	**As at 31st March 2022**	**As at 31st March 2021**
Contributions to Provident Fund	2,171.19	1,724.88
Contributions to Employee State Insurance	655.56	605.92
Defined Contribution Plan	**2,826.75**	**2,330.80**

Defined Benefit Plan

The Company has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on leaving the service of the company at 15 days salary (last drawn salary) for each completed year of service.

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.

Particulars	**As at 31st March 2022**	**As at 31st March 2021**
Present value of funded obligations	2,711.72	2,537.49
Fair value of planned assets	2,598.21	824.57
Defined Benefit obligation/(asset)	**5,309.93**	**3,362.06**

Post employment defined benefit plan

Net benefit expense recognised in statement of profit and loss	**As at 31st March 2022**	**As at 31st March 2021**
Current service cost	458.43	422.51
Net Interest on net defined benefit liability/ (asset)	113.91	113.22
Net benefit expense	**572.34**	**535.73**

Balance Sheet

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

Particulars	**As at 31st March 2022**	**As at 31st March 2021**
Defined benefit obligation at the beginning of the year	2,537.49	2,163.07
Current service cost	458.43	422.51
Interest cost on benefit obligations	168.74	151.41
Actuarial (Gain) / Loss on Total Liabilities	(128.95)	41.90
Benefits paid	(323.99)	(241.40)
Benefit obligation at the end of the year	**2,711.72**	**2,537.49**

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

Particulars	**As at 31st March 2022**	**As at 31st March 2021**
Fair value of plan assets at the beginning of the year	824.57	545.61
Actual Return on Plan Assets	105.15	13.73
Employer contributions	1,992.49	506.63
Benefits paid	(323.99)	(241.40)
Fair value of plan assets as at the end of the year	**2,598.21**	**824.57**

Remeasurement gain/ (loss) in other comprehensive income (OCI)	**As at 31st March 2022**	**As at 31st March 2021**
Actuarial gain/(loss) on obligation	-	
Experience adjustments	10.90	105.07
Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/(asset)	50.31	(24.46)
Actuarial changes arising from changes in financial assumptions	118.06	(146.97)
Actuarial gain /(loss) (through OCI)	**179.27**	**(66.36)**

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

Particulars	**As at 31st March 2022**	**As at 31st March 2021**
Salary Growth Rate	3.00%	3.00%
Discount Rate	7.12%	6.65%
Withdrawal Rate	5.00%	5.00%
Mortality	100% of IALM 2012-14	100% of IALM 2006-2008
Interest rate on net DBO	6.65%	7.00%
Expected average remaining working life	27.12	27.13

Investments quoted in active markets:

Particulars	**As at 31st March 2022**	**As at 31st March 2021**
Equity instruments	-	-
Debt instruments	-	-
Real estate	-	-
Derivatives	-	-
Investment Funds with Insurance Company	100.00%	100.00%
Of which, Unit Linked	-	-
Of which, Traditional/ Non-Unit Linked	100.00%	100.00%
Asset-backed securities	-	-
Structured debt	-	-
Cash and cash equivalents	-	-
Total	100.00%	100.00%

A quantitative sensitivity analysis for significant assumptions as at 31st March 2022 and 31st March 2021 are as shown below:

Assumptions	Sensitivity Level	As at 31st March 2022	As at 31st March 2021
Discount Rate	Increase by 1%	2,487.66	2,320.58
Discount Rate	Decrease by 1%	2,974.11	2,792.45
Further Salary Increase	Increase by 1%	2,982.66	2,799.51
Further Salary Increase	Decrease by 1%	2,477.28	2,311.49
Employee turnover	Increase by 1%	2,804.44	2,615.55
Employee turnover	Decrease by 1%	2,604.28	2,446.73
Mortality Rate	Increase in expected lifetime by 1 year	2,702.74	2,529.10
Mortality Rate	Increase in expected lifetime by 3 years	2,687.26	2,514.62

The weighted average duration of the defined benefit obligation as at 31st March 2022 is 10 years (2021: 10 years).

Gratuity liability is funded through a Gratuity Fund managed by Life Insurance Corporation of India Ltd.

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 Company’s plans are shown below:

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

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

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(Rupees in lakhs, except for share data and unless otherwise stated)

36 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	As at 31st March 2022			As at 31st March 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	2,35,980.59	-	2,35,980.59	40,917.19	-	40,917.19
Bank Balance other than above	11,089.14	-	11,089.14	16,326.10	-	16,326.10
Trade receivables	2,630.50	-	2,630.50	1,819.94	-	1,819.94
Loans	16,70,364.49	31,156.39	17,01,520.88	18,16,249.60	29,048.54	18,45,298.14
Investments	2,111.56	1,61,847.50	1,63,959.06	2,957.96	1,58,845.63	1,61,803.59
Other financial assets	4,239.03	8,810.84	13,049.87	10,989.12	8,270.44	19,259.56
Non-financial Assets						
Current tax assets (net)	2,997.82	-	2,997.82	676.03	-	676.03
Investment Property	-	30,236.55	30,236.55	-	30,236.55	30,236.55
Property, plant and equipment	-	38,915.42	38,915.42	-	41,313.73	41,313.73
Other intangible assets	-	937.59	937.59	-	833.76	833.76
Right-of-use assets	9,782.07	48,157.61	57,939.67	11,247.26	32,280.69	43,527.94
Other non financial assets	4,110.84	27,009.15	31,120.00	30,687.80	1,328.01	32,015.82
Total assets	**19,43,306.03**	**3,47,071.05**	**22,90,377.08**	**19,31,871.01**	**3,02,157.34**	**22,34,028.35**
Liabilities						
Financial Liabilities						
Trade payables	4,782.30	-	4,782.30	1,770.85	-	1,770.85
Debt Securities	1,43,022.17	2,36,356.86	3,79,379.03	1,93,480.81	2,43,105.64	4,36,586.45
Borrowings (other than debt security)	9,30,915.28	2,22,651.74	11,53,567.02	9,22,031.44	1,76,805.40	10,98,836.85
Lease Liability	7,978.41	56,678.05	64,656.45	8,798.35	39,043.55	47,841.90
Subordinated Liabilities	43,497.06	1,95,029.58	2,38,526.64	56,901.59	1,92,610.48	2,49,512.07
Other Financial liabilities	37,484.95	38,768.41	76,253.36	22,823.39	27,768.27	50,591.66
Non-financial Liabilities						
Provisions	213.81	2,746.00	2,959.81	194.00	2,629.82	2,823.83
Deferred tax liabilities (net)	-	23,668.26	23,668.26	-	24,720.32	24,720.32
Other non-financial liabilities	1,634.89	-	1,634.89	1,265.63	-	1,265.63
Total Liabilities	**11,69,528.87**	**7,75,898.88**	**19,45,427.75**	**12,07,266.06**	**7,06,683.49**	**19,13,949.55**
Net	**7,73,777.16**	**(4,28,827.84)**	**3,44,949.33**	**7,24,604.95**	**(4,04,526.15)**	**3,20,078.80**

(Rupees in lakhs, except for share data and unless otherwise stated)

37 Change in liabilities arising from financing activities

Particulars	As at 1st April 2021	Cash Flows	Ind AS 116 - Lease Liabilities	Others	As at 31st March 2022
Debt Securities	4,36,586.45	(57,821.90)	-	614.47	3,79,379.03
Borrowings other than debt securities	10,98,836.85	56,034.28	-	(1,304.11)	11,53,567.02
Lease Liabilities	47,841.90	(17,821.39)	34,635.94	-	64,656.45
Subordinated Liabilities	2,49,512.07	(9,201.75)	-	(1,783.69)	2,38,526.64
Total liabilities from financing activities	**18,32,777.27**	**(28,810.76)**	**34,635.94**	**(2,473.32)**	**18,36,129.13**

Particulars	As at 1st April 2020	Cash Flows	Ind AS 116 - Lease Liabilities	Others	As at 31st March 2021
Debt Securities	86,113.32	3,51,819.14	-	(1,346.01)	4,36,586.45
Borrowings other than debt securities	9,68,313.27	1,29,857.03	-	666.55	10,98,836.85
Lease Liabilities	46,447.77	(16,609.79)	18,003.93	-	47,841.90
Subordinated Liabilities	2,60,167.47	(10,780.60)	-	125.19	2,49,512.07
Total liabilities from financing activities	**13,61,041.83**	**4,54,285.79**	**18,003.93**	**(554.27)**	**18,32,777.27**

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38. Contingent Liabilities (to the extent not provided for)

Particulars	As at 31st March 2022	As at 31st March 2021
Contingent Liabilities		
(i) Income Tax Demands	3,419.85	6,334.02
(ii) Service Tax Demands	5,106.18	5,106.18
(iii) Value Added Tax Demands	1,327.12	1,432.70
(iv) Bank Guarantees	36.90	36.69
(v) Claims not acknowledged as debt in view of counter claims raised	917.78	-

(vi) Some of the branches of the Company had received notices under the Kerala Money Lenders Act, 1958, for registration, which was challenged by the Company before the Hon'ble Supreme Court. The Apex Court has allowed the appeals filed by NBFCs including the Company, vide its judgement dated May 10, 2022 ruling that state level money lending enactments shall have no application to NBFCs registered under the RBI and regulated by the RBI. In view of the said ruling of the Supreme Court, the contingency with respect to the Kerala Money Lenders Act ceases to exist.

(vii) The Company has filed a Writ Petition before the Honourable High Court of Madras on 30th July, 2019 challenging the Order passed by the Income Tax Settlement Commission, Chennai Bench abating the proceedings before it relating to the Settlement Application filed by the Company dated December 17, 2017 ("Settlement Application"); and praying for stay on proceedings initiated by the Joint Commissioner of Income Tax (OSD), Central Circle, Thiruvananthapuram post abatement of proceedings by the Settlement Commission. The tax and interest due on the issues forming part of the Settlement Application totaled to ₹7,406 lakh. The Settlement Application related to notices received under Section 147 of the Income Tax Act, as per which the income chargeable to tax for the Financial Years 2011-12 to 2016-17 of MFL had escaped assessment, and Section 153A of the Income Tax Act, as per which MFL was required to prepare true and correct return of which MFL was assessable for the Assessment Years 2011-2012 to 2016-2017. The proceedings before the High Court of Madras is currently pending.

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39 Related Party Disclosures

Names of Related parties with whom transaction has taken place

(A) Subsidiaries
1 Muthoot Microfin Limited
2 Muthoot Housing Finance Company Limited
3 Muthoot Pappachan Technologies Limited

(B) Key Management Personnel	Designation
1 Thomas John Muthoot	Managing Director
2 Thomas George Muthoot	Director
3 Thomas Muthoot	Wholetime Director Cum Chief Financial Officer
4 Preethi John Muthoot	Director
5 Kurian Peter Arattukulam	Director
6 Vikraman Ampalakkat	Director
7 Thuruthiyil Devassia Mathai	Company Secretary

(C) Enterprises owned or significantly influenced by key management personnel or their relatives
1 MPG Hotels and Infrastructure Ventures Private Limited
2 Muthoot Automotive (India) Private Limited
3 Muthoot Automobile Solutions Private Limited
4 Muthoot Capital Services Limited
5 Muthoot Motors Private Limited
6 Muthoot Risk Insurance and Broking Services Private Limited
7 Muthoot Pappachan Chits (India) Private Limited
8 Muthoot Exim Private Limited
9 Muthoot Kuries Private Limited
10 MPG Security Group Private Limited
11 Muthoot Estate Investments
12 Muthoot Motors (Cochin)
13 Muthoot Pappachan Foundation
14 M-Liga Sports Excellence Private Limited
15 Thinking Machine Media Private Limited
16 Muthoot Hotels Private Limited

(D) Relatives of Key Management Personnel
1 Janamma Thomas
2 Nina George
3 Remmy Thomas
4 Thomas M John
5 Suzannah Muthoot
6 Hannah Muthoot
7 Tina Suzanne George
8 Ritu Elizabeth George
9 Shweta Ann George

(E) Other Related Parties
1 Speckle Internet Solutions Private Limited

Related Party transactions during the year:

Particulars	Key Management Personnel & Directors		Relatives of Key Management Personnel		Entities over which Key Management Personnel and their relatives are able to exercise significant influence		Subsidiaries	
	Year Ended 31st March 2022	Year Ended 31st March 2021	Year Ended 31st March 2022	Year Ended 31st March 2021	Year Ended 31st March 2022	Year Ended 31st March 2021	Year Ended 31st March 2022	Year Ended 31st March 2021
Revenue								
Auction of Gold Ornaments	-	-	-	-	6,104.86	1,270.97	-	-
Commission Received	-	-	-	-	1,189.86	1,003.61	350.45	210.57
Processing Fee received	-	-	-	-	-	0.73	-	-
Rent received	-	-	-	-	283.51	276.24	141.79	145.59
Revenue from Travel Services	1.59	-	-	-	10.10	5.56	16.88	7.59
Sale of Used Assets	-	-	-	-	0.03	-	-	-
Delayed Interest received	-	-	-	-	-	3.58	-	-
Interest accrued on loans & advances	2,388.00	2,388.00	-	-	29.66	30.15	-	109.50
Expense								
Commission Paid	500.00	132.00	-	-	17.09	72.14	34.03	235.70
Interest paid	483.65	431.35	78.74	62.97	186.64	309.78	-	-
Hotel Service payments	-	-	-	-	28.31	32.93	-	-
Professional & Consultancy Charges	-	-	-	-	2,104.14	2,092.00	1,562.94	1,423.39
Purchase of Gold / Silver Coins	-	-	-	-	90.77	16.86	-	-
Reimbursement of Expenses	-	-	-	-	(20.32)	(81.77)	(15.76)	(12.14)
Rent paid	104.75	101.47	-	-	17.51	15.17	-	-
Purchase of Used Assets	-	-	-	-	-	-	-	-
Remuneration Paid	5,039.60	2,196.94	41.00	23.49	-	-	-	-
Sitting Fee paid	13.50	7.50	-	-	-	-	-	-
Marketing Expense	-	-	-	-	-	1.08	-	-
Collection Charges	-	-	-	-	-	12.98	-	-
Repairs and maintenance	-	-	-	-	1.89	19.46	-	-
Asset								
Advance for CSR Activities	-	-	-	-	298.37	677.39	-	-
Investment made in Equity	-	-	-	-	200.00	9.00	-	-
Loans Advanced	-	-	-	-	-	290.00	-	-
Loan repayments received	-	-	-	-	(290.00)	(239.64)	-	(1,365.00)
Refund received against advance for property	-	-	-	-	(3,000.00)	-	-	-
Purchase of Vehicle	-	-	-	-	10.74	-	-	-
Liability								
Advance received towards Owners share	-	-	-	-	432.15	241.00	-	-
ICD accepted	-	-	-	-	-	-	-	-
ICD repaid	-	-	-	-	-	-	-	-
Investment in Debt Instruments	-	260.30	0.50	175.50	1.00	-	-	-
Redemption of Investment in Debt Securities	-	-	(1.14)	(156.00)	-	-	-	-
Security Deposit Accepted	-	-	-	-	140.00	55.48	1.37	2.39
Security Deposit Repaid	-	-	-	-	(167.13)	(40.26)	(1.42)	(8.67)
Dividend Paid	10,036.91	-	1,549.71	-	35.72		-	-

Balance outstanding as at the year end:

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Entities over which Key Management Personnel and their relatives are able to exercise significant influence		Subsidiaries	
	Year Ended 31st March 2022	Year Ended 31st March 2021	Year Ended 31st March 2022	Year Ended 31st March 2021	Year Ended 31st March 2022	Year Ended 31st March 2021	Year Ended 31st March 2022	Year Ended 31st March 2021
Asset								
Advance for CSR Activities	-	-	-	-	8.05	-	-	-
Advance for Property/Shares	1,588.53	1,588.53	133.87	133.87	24,277.77	27,277.77	-	-
Advance receivable towards Owners share	-	-	-	-	903.13	221.01	-	-
Commission Receivable	-	-	-	-	68.99	22.37	40.10	16.16
Expense Reimbursements Receivable	-	-	-	-	1.48	0.86	0.88	0.01
Interest on Loan Receivable	61.55	61.55	-	-	-	3.71	-	-
Loans Advanced	19,900.00	19,900.00	-	-	-	290.00	-	-
Other Receivable	-	-	-	-	-	-	-	-
Rent Receivable	-	-	-	-	12.40	8.33	2.92	2.89
Travel Service Receivables	0.79	1.12	-	-	4.06	2.09	1.51	3.54
Investment in Equity Outstanding	-	-	-	-	217.00	17.00	26,515.45	26,515.45
Liability								
Collection balance payable	-	-	-	-	0.22	6.93	-	-
Commission Payable	-	-	-	-	0.27	2.33	0.46	29.75
Interest Payable	2.58	0.96	54.22	21.66	6.40	0.56	-	-
Rent Payable	0.23	-	-	-	0.92	0.90	-	-
Remuneration Payable	-	-	-	-	-	-	-	-
Investment in Debt Instruments	267.30	267.30	332.33	332.97	107.53	51.40	-	-
PDI issued	3,845.00	3,845.00	355.00	355.00	1,025.00	3,015.00	-	-
Professional & Consultancy Charges payable	-	-	-	-	0.12	53.69	-	8.24
Security Deposit received	-	-	-	-	30.50	57.63	46.97	47.02
Other Payable	-	-	-	-	3.99	3.18	-	-

Note

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

Compensation of key management personnel of the Company:

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

Particulars	Year Ended 31st March 2022	Year Ended 31st March 2021
Short–term employee benefits	5,053.10	2,204.44
Post-employment benefits	-	-
Total compensation paid to key managerial personnel	**5,053.10**	**2,204.44**

(Rupees in lakhs, except for share data and unless otherwise stated)

40 Capital

Capital Management

The primary objective of the Company’s capital management policy is to ensure that the Company complies with externally imposed capital requirements and maintains healthy credit ratings and capital ratios in order to support its business and to maximize shareholder value.

Being an NBFC-SI, the RBI requires the Company to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of a minimum Tier I Capital of 12% and a combined Tier I & Tier II Capital of 15% of our aggregate risk weighted assets. The capital management process of the Company ensures to maintain a healthy CRAR at all the times. The Company has during the year issued Cumulative Compulsorily Convertible Preference Shares aggregating to INR 15,000 and Perpetual Debt Instruments aggregating to INR 13,500, aiding enhancement in the regulatory capital levels.

Regulatory capital	**As at 31st March 2022**	**As at 31st March 2021**
Tier I Capital	2,69,746	2,42,659
Tier II Capital	85,992	95,463
Total capital	**3,55,738**	**3,38,122**
Risk weighted assets	**18,31,579**	**20,06,635**
CRAR		
Tier I Capital (%)	14.73%	12.09%
Tier II Capital (%)	4.69%	4.76%

Tier I Capital comprises of share capital, share premium, reserves, retained earnings including current year profits, cumulative compulsorily convertible preference shares and perpetual debt instruments subject to permissible limits. Certain adjustments are made to Ind AS–based results and reserves, in order to ensure compliance with the directions of the Reserve Bank of India. Tier II Capital consists primarily of Subordinated Debt Instruments, subject to permissible limits as per the directions of the Reserve Bank of India and PDI in excess of 15% of Tier I Capital of the Company as at the previous year.

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(Rupees in lakhs, except for share data and unless otherwise stated)

41 Fair Value Measurement

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 (i.e., an exit price), 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.

Fair Value Hierarchy of assets and liabilities

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy as at March 31, 2022:

Particulars	At FVTPL			
	Level-1	Level-2	Level-3	Total
Financial Assets				
Investment in JM Financial India Fund II	156.37	-	-	156.37
Investment in Strugence Debt Fund	997.48	-	-	997.48
Investment in BPEA India Credit - Trust II	514.24	-	-	514.24
Financial Liabilities				
Cumulative Compulsorily Convertible Preference Shares (CCCPS)	-	-	15,213.00	15,213.00

Particulars	At FVTOCI			
	Level-1	Level-2	Level-3	Total
Investment in Muthoot Microfin Limited	-	1,42,977.72	-	1,42,977.72
Investment in Muthoot Pappachan Chits Private Limited	-	15.14	-	15.14
Investment in Avenues India Private Limited	-	477.67	-	477.67
Investment in Fair Asset Technologies (P) Limited	-	719.85	-	719.85
Investment in Equity Shares (DP account with Motilal Oswal)	1,646.32	-	-	1,646.32
Investment in PMS - Motilal Oswal	465.24	-	-	465.24
Investment In The Thinking Machine Media Private Limited	-	9.00	-	9.00
Investment In Speckle Internet Solutions Private Limited	-	198.10	-	198.10

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy as at March 31, 2021:

Particulars	At FVTPL			
	Level-1	Level-2	Level-3	Total
Financial Assets				
Investment in JM Financial India Fund II	106.90	-	-	106.90
Financial Liabilities				
Cumulative Compulsorily Convertible Preference Shares (CCCPS)	-	-	-	-

Particulars	At FVTOCI			
	Level-1	Level-2	Level-3	Total
Investment in Muthoot Microfin Limited	-	1,40,748.12	-	1,40,748.12
Investment in Muthoot Pappachan Chits Private Limited	-	6.52	-	6.52
Investment in Avenues India Private Limited	-	477.48	-	477.48
Investment in Fair Asset Technologies (P) Limited	-	703.59	-	703.59
Investment in Equity Shares (DP account with Motilal Oswal)	1,038.94	-	-	1,038.94
Investment in PMS - Motilal Oswal	631.11	-	-	631.11
Investment In The Thinking Machine Media Private Limited	-	9.00	-	9.00

Fair value technique

Investment at fair value through profit and loss

For investment at fair value through profit and loss, valuation are done using quoted prices from active markets or on published Net Asset Values of the investment at the measurement date or at the nearest available date.

Equity instruments

The equity instruments which are actively traded on public stock exchanges with readily available active prices on a regular basis are classified as Level 1. Units held in mutual funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions are generally Level 1. Equity instruments in non-listed entities are initially recognised at transaction price and re-measured as per fair valuation report and valued as at the measurement date or at the nearest available date has been classified as Level 2.

Financial Liabilities with significant unobservable inputs (Level 3)

This level of hierarchy includes financial liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data, this level of hierarchy includes cumulative compulsory convertible preference shares.

The fair value of the CCCPS is measured using the Monte Carlo Simulation technique. The Monte Carlo Simulation Method is one where a risk-neutral framework is used to simulate a range of simulated values, representing all the potential paths a variable could move over the period of the simulation. The inputs to this model are taken from observable market where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Significant unobservable inputs	As at March 31, 2022		As at March 31, 2021	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Discount Rate of CCCPS Coversion Feature	(511.25)	531.08	-	-
Discount for Lack of Marketability	(234.05)	234.05	-	-

Movements in Level 3 financial instruments measured at fair value

Particulars	As at 31st March 2022	As at 31st March 2021
Financial liability maesured at FVTPL		
Cumulative Compulsorily Convertible Preference Shares (CCCPS)		
Opening Balance	-	-
Issued during the year	15,000.00	-
Converted during the year	-	-
Change in fair value	213.00	-
Closing balance	**15,213.00**	**-**

Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

Particulars	Level	Carrying Value		Fair Value	
		As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
Financial assets					
Cash and cash equivalents	1	2,35,980.59	40,917.19	2,35,980.59	40,917.19
Bank Balance other than above	1	11,089.14	16,326.10	11,089.14	16,326.10
Trade receivables	3	2,630.50	1,819.94	2,630.50	1,819.94
Loans	3	17,01,520.88	18,45,298.14	17,01,520.88	18,45,298.14
Investments	3	15,781.93	16,081.93	15,781.93	16,081.93
Other Financial assets	3	13,049.87	19,259.56	13,049.87	19,259.56
Financial assets		**19,80,052.90**	**19,39,702.87**	**19,80,052.90**	**19,39,702.87**
Financial Liabilities					
Trade Payable	3	4,782.30	1,770.85	4,782.30	1,770.85
Debt securities	3	3,79,379.03	4,36,586.45	3,79,379.03	4,36,586.45
Borrowings (other than debt securities)	3	11,53,567.02	10,98,836.85	11,53,567.02	10,98,836.85
Lease Liability	3	64,656.45	47,841.90	64,656.45	47,841.90
Subordinated liabilities	3	2,38,526.64	2,49,512.07	2,38,526.64	2,49,512.07
Other financial liabilities	3	61,040.36	50,591.66	61,040.36	50,591.66
Financial Liabilities		**19,01,951.80**	**18,85,139.78**	**19,01,951.80**	**18,85,139.78**

Valuation techniques

Short-term financial assets and liabilities

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

Loans and advances to customers

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

Fair values of portfolios are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics ie, type of loan. The Company then calculates and extrapolates the fair value to the entire portfolio using Effective interest rate model that incorporate interest rate estimates considering all significant characteristics of the loans. The credit risk is applied as a top-side adjustment based on the collective impairment model incorporating probability of defaults and loss given defaults. Hence, the carrying amount of such financial assets at amortised cost net of impairment loss allowance is of reasonable approximation of their fair value.

Financial liability at amortised cost

The fair values of financial liability held-to-maturity are estimated using a effective interest rate model based on contractual cash flows using actual yields. Since the cost of borrowing on the reporting date is not expected to be significantly different from the actual yield considered under effective interest rate model, the carrying value of financial liabilities at amortised cost is considered a reasonable approximation of their fair value.

42 Segment Reporting

In accordance with Para 4 of IND AS 108, Operating Segments, segment information has been presented in the consolidated financial statements of Muthoot FinCorp Limited and therefore, no separate disclosure has been given in standalone financial statement.

MUTHOOT FINCORP LIMITED

Standalone Notes to financial statements for the year ended 31st March 2022

(Rupees in lakhs, except for share data and unless otherwise stated)

43. Risk Management

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

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

The Company's Risk Management Committee of the Board of Directors constituted in accordance with the RBI rules has overall responsibility for overseeing the implementation of the Risk Management Policy. The committee meets quarterly to review the Risk Management practices and working of the Risk Management Department. The committee is chaired by an Independent Director. The Risk Management department periodically places its report to the committee for review. The committee's suggestions for improving the Risk Management Practices are implemented by the Risk Management department.

The Company 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 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.

The major type of risk Company faces in business are credit risk, liquidity risk, market risk and operational risk.

I) Credit Risk

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

The Company addresses credit risk through following major processes:

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

A) Impairment Assessment

The Company is primarily engaged in the business of providing gold and SME loans. The tenure of the loans ranges from 3 months to 60 months.

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

Definition of default and care

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 or whether Stage 2 is appropriate.

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

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

Rating	Loans Days past due (DPD)	Stages
High grade	Not yet due	Stage I
Standard grade	1-30 DPD	Stage I
Sub-standard grade	30-60 DPD	Stage II
Past due but not impaired	60-89 DPD	Stage II
Individually impaired	90 DPD or More	Stage III

Exposure at Default (EAD)

The outstanding balance as at the reporting date is considered as EAD by the company.

Probability of default (PD)

The Probability of Default is an estimate of the likelihood of default over a given time horizon. To calculate the ECL for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12mECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments. The Company uses historical information where available to determine PD. Considering the different products, schemes, ticket size, loan to value and geographies, the Company has bifurcated its loan portfolio into various pools. PD is calculated using Incremental NPA approach considering fresh slippage using historical information.

Loss Given Default (LGD)

The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company expects to receive. LGD Rates for Gold Loans have been computed internally based on the discounted recoveries in NPA accounts that are closed/ written off/ repossessed and upgraded during the year. For other loans, LGD rates have been arrived at guided by the Foundational Internal Ratings Based approach (FIRB) norms.

When estimating ECLs on a collective basis for a group of similar assets, the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Significant Increase in credit risk

The internal rating model evaluates the loans on an ongoing basis. The rating model also assesses if there has been a significant increase in credit risk since the previously assigned risk grade. One key factor that indicates significant increase in credit risk is when contractual payments are more than 30 days past due.

II) Liquidity risk

Asset Liability Management (ALM)

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, capital & retail 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 shows the maturity pattern of the assets and liabilities:

Maturity pattern of assets and liabilities as on 31st March 2022:

Particulars	Up to 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
Cash and cash equivalents	2,28,837.43	2,405.67	1,080.48	-	3,657.00	-	-	-	2,35,980.59
Bank Balance other than (a) above	6,769.42	-	-	3,051.13	1,268.58	-	-	-	11,089.14
Receivables	2,630.50	-	-	-	-	-	-	-	2,630.50
Loans	3,04,798.95	79,406.84	97,001.38	5,72,922.41	6,16,234.92	2,805.44	199.48	28,151.47	17,01,520.88
Investments	2,111.56	-	-	-	-	1,511.72	-	1,60,335.78	1,63,959.06
Other Financial assets	2,537.22	302.79	130.89	399.82	868.31	4,339.28	481.18	3,990.39	13,049.87
Total	**5,47,685.08**	**82,115.29**	**98,212.75**	**5,76,373.36**	**6,22,028.82**	**8,656.43**	**680.66**	**1,92,477.64**	**21,28,230.04**
Payables	4,782.30	-	-	-	-	-	-	-	4,782.30
Debt Securities	19,906.66	12,441.67	14,930.00	21,332.73	74,411.11	1,79,134.38	44,745.81	12,476.68	3,79,379.03
Borrowings (other than Debt Securities)	48,093.11	28,674.09	36,758.57	1,36,876.14	6,80,513.38	2,12,248.92	10,402.81	-	11,53,567.02
Subordinated Liabilities	2,673.70	2,746.57	2,088.25	8,396.96	27,591.58	74,996.73	40,621.54	79,411.31	2,38,526.64
Other Financial liabilities	6,149.11	2,010.39	1,820.61	5,765.66	21,739.18	31,179.65	5,991.94	1,596.82	76,253.36
Total	**81,604.90**	**45,872.71**	**55,597.42**	**1,72,371.50**	**8,04,255.24**	**4,97,559.68**	**1,01,762.09**	**93,484.81**	**18,52,508.35**

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

Particulars	Up to 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
Cash and cash equivalents	39,593.31	37.68	1,286.20	-	-	-	-	-	40,917.19
Bank Balance other than (a) above	13,713.50	-	-	258.58	2,354.02	-	-	-	16,326.10
Receivables	1,819.94	-	-	-	-	-	-	-	1,819.94
Loans	5,40,998.80	2,04,642.57	2,41,958.80	6,82,489.84	1,46,159.59	8,460.61	1,648.78	18,939.15	18,45,298.14
Investments	2,657.96	-	-	-	300.00	1,106.90	1,000.00	1,56,738.73	1,61,803.59
Other Financial assets	2,046.66	68.50	96.86	768.63	8,008.48	6,869.13	294.78	1,106.53	19,259.56
Total	**6,00,830.17**	**2,04,748.75**	**2,43,341.86**	**6,83,517.05**	**1,56,822.09**	**16,436.64**	**2,943.56**	**1,76,784.41**	**20,85,424.53**
Payables	1,770.85	-	-	-	-	-	-	-	1,770.85
Debt Securities	-	-	12,397.44	-	1,81,083.38	2,04,064.95	39,040.69	-	4,36,586.45
Borrowings (other than Debt Securities)	9,826.30	11,871.09	2,09,788.28	1,46,537.11	5,44,008.66	1,70,229.80	6,575.60	-	10,98,836.85
Subordinated Liabilities	3,242.44	4,515.61	5,101.30	15,839.18	28,203.06	92,426.39	41,860.83	58,323.27	2,49,512.07
Other Financial liabilities	5,713.87	1,294.82	2,344.19	5,178.17	8,292.34	18,428.00	5,804.81	3,535.46	50,591.66
Total	**20,553.45**	**17,681.52**	**2,29,631.21**	**1,67,554.46**	**7,61,587.43**	**4,85,149.14**	**93,281.94**	**61,858.72**	**18,37,297.88**

III) 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 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. The Company is 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 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 is as follows:

Particulars	March 31, 2022	March 31, 2021
On Borrowings		
1% increase	(17,782.04)	(15,497.65)
1% decrease	17,782.04	15,497.65

Price risk
Equity price risk is the risk that the fair value of equities decreases as the result of changes in level of equity indices and individual stocks. The trading and non-trading equity price risk exposure arises from equity securities classified at FVOCI". A 10% increase/(decrease) in the equity price (traded and non-traded) would have the impact as follows:

Particulars	Increase/(Decrease) in percentage	Sensitivity of profit or loss	Sensitivity of Other Comprehensive Income
As at 31st March 2022	10/(10)	166.81 / (166.81)	16,130.37 / (16,130.37)
As at 31st March 2021	10/(10)	210.69 / (210.69)	15,840.72 / (15,840.72)

Prepayment risk
Prepayment risk is the risk that the Company will incur a financial loss because its customers and counterparties repay or request repayment earlier or later than expected.

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.

(Rupees in lakhs, except for share data and unless otherwise stated)

44 Impact of Covid-19

The after effects of the COVID-19 pandemic and resultant restrictions have continued to have its impact on economic activity during the year ended March 31, 2022. However, this has not resulted in a significant impact on the operations / financial position of the Company, though there has been an expected level of stress in collections and higher gold auctions during the year. With reduced probability of restrictions even in times of Covid spikes thereby allowing continuity of general economic momentum, the future performances and collections are expected to improve.

In the opinion of the management, the impairment loss allowance as stated in Note 8 is considered adequate to cover any future uncertainties on account of the above.

45 Disclosure pursuant to RBI Notification - RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 Dated 13 March 2020 - A comparison between provisions required under Income recognition, asset classification and provisioning (IRACP) and impairment allowances as per Ind AS 109 'Financial instruments'

As at March 31, 2022

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowance (Provisions) as required under Ind AS 109	Net carrying amount	Provision required as per IRACP norms*	Difference between Ind AS 109 provision and IRACP norms
(1)	**(2)**	**(3)**	**(4)**	**(5) = (3) - (4)**	**(6)**	**(7) = (4) - (6)**
(a) Performing Assets						
Standard	Stage 1	15,65,191.55	7,187.86	15,58,003.69	6,262.73	925.13
	Stage 2	1,17,162.63	835.83	1,16,326.81	468.65	367.17
Subtotal - Performing Assets		**16,82,354.18**	**8,023.69**	**16,74,330.49**	**6,731.38**	**1,292.31**
(b) Non-PerformingAssets (NPA)						
(i) Substandard	Stage 3	21,789.26	3,339.05	18,450.21	2,172.38	1,166.67
(ii) Doubtful up to:						
1 year	Stage 3	8,119.30	4,902.87	3,216.42	1,623.86	3,279.01
1 to 3 year	Stage 3	4,045.13	2,592.46	1,452.67	1,213.54	1,378.92
More than 3 years	Stage 3	9,916.16	5,845.08	4,071.08	4,958.08	887.00
Subtotal (ii)		**22,080.59**	**13,340.41**	**8,740.18**	**7,795.48**	**5,544.93**
(iii) Loss	Stage 3	6,089.45	6,089.45	-	6,089.45	-
Subtotal - NPA		**49,959.29**	**22,768.90**	**27,190.39**	**16,057.30**	**6,711.60**
Total	**Stage 1**	15,65,191.55	7,187.86	15,58,003.69	6,262.73	925.13
	Stage 2	1,17,162.63	835.83	1,16,326.81	468.65	367.17
	Stage 3	49,959.29	22,768.90	27,190.39	16,057.30	6,711.60
	Total	**17,32,313.47**	**30,792.59**	**17,01,520.88**	**22,788.68**	**8,003.90**

**Computed on the value as per the IRACP norms.*

As at March 31, 2021

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowance (Provisions) as required under Ind AS 109	Net carrying amount	Provision required as per IRACP norms*	Difference between Ind AS 109 provision and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3) - (4)	(6)	(7) = (4) - (6)
(a) Performing Assets						
Standard	Stage 1	16,37,207.99	5,921.03	16,31,286.96	6,678.91	(757.87)
	Stage 2	1,95,771.56	697.92	1,95,073.63	783.13	(85.20)
Subtotal - Performing Assets		**18,32,979.54**	**6,618.96**	**18,26,360.59**	**7,462.03**	**(843.08)**
(b) Non-PerformingAssets (NPA)						
(i) Substandard	Stage 3	16,190.94	2,144.68	14,046.26	1,619.09	525.59
(ii) Doubtful up to:						
1 year	Stage 3	3,737.03	3,442.10	294.93	747.41	2,694.69
1 to 3 year	Stage 3	9,275.94	5,680.94	3,595.00	2,782.78	2,898.16
More than 3 years	Stage 3	2,992.29	1,990.92	1,001.36	1,499.25	491.67
Subtotal (ii)		**16,005.26**	**11,113.96**	**4,891.30**	**5,029.44**	**6,084.52**
(iii) Loss	Stage 3	3,762.25	3,762.25	-	3,649.37	112.88
Subtotal - NPA		**35,958.45**	**17,020.89**	**18,937.56**	**10,297.90**	**6,722.99**
Total	**Stage 1**	16,37,207.99	5,921.03	16,31,286.96	6,678.91	(757.87)
	Stage 2	1,95,771.56	697.92	1,95,073.63	783.13	(85.20)
	Stage 3	35,958.45	17,020.89	18,937.56	10,297.90	6,722.99
	Total	**18,68,937.99**	**23,639.85**	**18,45,298.14**	**17,759.94**	**5,879.91**

**Computed on the value as per the IRACP norms.*

Disclosures as per RBI notification no. DOR.No.BP.BC.63/21.04.048/2019-20 dated 17th April 2020 - COVID19 Regulatory Package - Asset Classification and Provisioning:

The details of loans, where moratorium benefit was extended are as under:

Particulars	**2021-22**	**2020-21**
(i) Amount due in respect of overdue contracts where moratorium benefit was extended	-	17,701.00
(ii) Amount due on contracts where asset classification benefits was extended	378.88	515.00
(iii) Provision as per IRACP norms against (ii) cumulatively above up to June 2020	37.89	4,884.06
(iv) Provisions adjusted during the respective accounting periods against slippages and the residual provisions	134.62	(4,884.06)

46 Additional Disclosures as Required by the Reserve Bank of India

(i) Frauds

During the year there have been certain instances of fraud on the Company by officers and employees where gold loan related misappropriations / cash embezzlements / burglaries have occurred for amounts aggregating an amount of INR 614.08 (March 31, 2021 - INR 687.65) of which the Company has recovered INR 61.94 (March 31, 2021 - INR 314.37). 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 value of frauds and burglaries (net of recovery), has been fully provided for.

In addition to the above, there was a Burglary attempt during the year on the Asansol Murgasol branch of the Company. The net weight of the gold decamped with was 11.64 kg and the total number of packets was 707. The Principal value of loan disbursed on security of the above packets was INR 355. Cash of INR 9.21 was also stolen. The Company had filed an insurance claim with its insurers under the bankers' blanket indemnity policy and the claim was approved in the month of March, 2022.

(ii) The Company extends loans to its customers against security of gold not exceeding 75% of the value of gold. Value of gold for this purpose is taken from the rates published by the Association of Gold Loan Companies (AGLOC). AGLOC publishes the value of gold based on the immediately preceding 30 days average price of 22 Carrot Gold published by Bombay Bullion Association. The Company holds 54.03 tonnes of Gold as at March 31, 2022 (March 31, 2021 - 59.40 tonnes). The loan amount provided against security of gold works out to 65.79% of the value of gold as on 31st March 2022 (As at 31st March 2021 - 68.83%).

(iii) The Company's Percentage of Gold Loan to Total Assets is 73.17% as at 31st March 2022 (As at 31st March 2021 - 80.83%).

(iv) In accordance with the relevant circulars issued by the Reserve Bank of India with respect to Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances, the Company has restructured certain eligible MSME accounts.

No. of accounts restructured	Amount
1014	1,730.79

(v) The Company has neither transferred nor acquired any loans not in default / stressed loans to / from other entities during the year ended March 31, 2022.

<This section has been intentionally left blank>

(Rupees in lakhs, except for share data and unless otherwise stated)

Note 46 contd.

(v) **Disclosures required as per Reserve Bank of India Circular No RBI/2019-20/88/DOR.NBFC (PD) CC. No. 102/03.10.001/2019-20 dated November 04, 2019**

(i) **Funding concentration based on significant counterparty (both deposits and borrowings):**

Particulars	No. of significant counterparties	Amount	% of Total Deposits	% of Total Liabilities*
As at March 31, 2022	16	10,84,415.84	N.A.	55.74%
As at March 31, 2021	14	11,93,864.18		62.38%

** Total Liabilities excludes Equity and Other Equity*

(ii) **Top 20 large deposits:**
The Company does not accept Deposits

(iii) **Top 10 borrowings:**

Particulars	Amount	% of Total Borrowings
As at March 31, 2022	9,29,928.46	52.49%
As at March 31, 2021	10,63,717.18	59.59%

(iv) **Funding concentration based on significant instrument / product:**

Particulars	As at March 31, 2022		As at March 31, 2021	
	Amount	% of Total Liabilities*	Amount	% of Total Liabilities*
Working Capital Demand Loan	7,28,350.96	37.44%	7,15,184.37	37.37%
Working Capital (Term) Loan	4,25,216.06	21.86%	3,83,652.47	20.05%
Secured NCD	3,79,379.03	19.50%	4,36,586.45	22.81%
Subordinated Debt	2,00,107.40	10.29%	2,23,380.53	11.67%
Perpetual Debt Instrument	38,419.24	1.97%	26,131.54	1.37%
Total	**17,71,472.68**	**91.06%**	**17,84,935.37**	**93.26%**

** Total Liabilities excludes Equity and Other Equity*

(v) **Stock Ratios:**

(i) Commercial papers as a % of total public funds, total liabilities and total assets:

Particulars	As at March 31, 2022	As at March 31, 2021
Total Public Funds	-	-
Total Liabilities	-	-
Total Assets	-	-

(ii) Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets:

Particulars	As at March 31, 2022	As at March 31, 2021
Total Public Funds	8.07%	10.84%
Total Liabilities	7.35%	10.11%
Total Assets	6.24%	8.45%

a) Public Funds include Debt Securities, Borrowings (other than debt securities) and Subordinated Liabilities
b) Total Liabilities excludes Equity and Other Equity

(iii) Other short-term liabilities, if any as a % of total public funds, total liabilities and total assets:

Particulars	As at March 31, 2022	As at March 31, 2021
Total Public Funds	57.95%	56.80%
Total Liabilities	52.77%	52.97%
Total Assets	44.82%	45.38%

a) Other Short Term Liabilities include all liabilities maturing within 12 months (excluding Commercial Paper & Non-Convertible Debentures)

(iv) Institutional set-up for liquidity risk management

The Asset - Liability Committee (ALCO) constituted by the Board is responsible for ensuring proper liquidity risk management and adherence to the limits set by the regulator and the Board as well as for deciding the business strategies of the company in line with the company's budget and decided risk management objectives. The ALCO consists of the Managing Director as Chairman of the Committee and includes the Executive Director & CFO, Chief Risk Officer, Senior Vice President – Finance, Vice-President - Resource Planning and Head-Internal Audit & Quality Assurance.

The ALM Support Groups are responsible for analysing, monitoring and reporting the risk profiles to the ALCO. The company also prepares forecasts / simulations showing the effects of various possible changes in market conditions on the Companys position and recommends action needed to adhere to limits prescribed by the regulator as well as Company's internal limits with regard to liquidity risks. The ALCO meets once every month or as and when required and reviews the position of liquidity and other market risks. Breaches or critical issues are put up to the risk management committee of the Board.

(vi) **Liquidity Coverage Ratio Disclosure**

Particulars	As at March 31, 2022		As at December 31, 2021	
	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
High Quality Liquid Assets				
Total High Quality Liquid Assets (HQLA)	1,13,887.26	1,13,887.26	1,87,969.51	1,87,969.51
Cash Outflows				
Deposits (for deposit taking companies)	-	-	-	-
Unsecured wholesale funding	2,660.14	3,059.16	8,264.01	9,503.61
Secured wholesale funding	33,896.65	38,981.15	44,701.33	51,406.53
Additional requirements, of which:				
Outflows related to derivative exposures and other collateral requirements	-	-	-	-
Outflows related to loss of funding on debt products	-	-	-	-
Credit and liquidity facilities	91,227.68	1,04,911.84	1,02,833.33	1,18,258.33
Other contractual funding obligations	12,522.51	14,400.89	14,900.03	17,135.04
Other contingent funding obligations	-	-	-	-
TOTAL CASH OUTFLOWS	**1,40,307.00**	**1,61,353.04**	**1,70,698.71**	**1,96,303.51**

Particulars	As at March 31, 2022		As at December 31, 2021	
	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
Cash Inflows				
Secured lending	84,884.33	63,663.25	83,591.67	62,693.75
Inflows from fully performing exposures	3,04,409.60	2,28,307.20	3,62,031.75	2,71,523.81
Other cash inflows	50,908.37	38,181.27	32,698.34	24,523.76
TOTAL CASH INFLOWS	**4,40,202.30**	**3,30,151.72**	**4,78,321.76**	**3,58,741.32**
TOTAL HQLA		**1,13,887.26**		**1,87,969.51**
TOTAL NET CASH OUTFLOWS (Weighted value of Total Cash Outflows - Minimum of (Weighted value of Total Cash Inflows, 75% of Weighted value of Total Cash Outflows)		**40,338.26**		**49,075.88**
LIQUIDITY COVERAGE RATIO (%)		**282.33%**		**383.02%**

Particulars	As at September 30, 2021		As at June 30, 2021	
	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
High Quality Liquid Assets				
Total High Quality Liquid Assets (HQLA)	1,79,087.52	1,79,087.52	40,761.15	40,761.15
Cash Outflows				
Deposits (for deposit taking companies)	-	-	-	-
Unsecured wholesale funding	5,416.19	6,228.62	7,766.94	8,931.98
Secured wholesale funding	23,840.56	27,416.64	17,034.33	19,589.48
Additional requirements, of which:				
Outflows related to derivative exposures and other collateral requirements	-	-	-	-
Outflows related to loss of funding on debt products	-	-	-	-
Credit and liquidity facilities	58,344.92	67,096.66	13,333.33	15,333.33
Other contractual funding obligations	9,727.21	11,186.29	16,270.65	18,711.25
Other contingent funding obligations	-	-	-	-
TOTAL CASH OUTFLOWS	**97,328.87**	**1,11,928.20**	**54,405.26**	**62,566.05**
Cash Inflows				
Secured lending	73,013.67	54,760.25	56,443.00	42,332.25
Inflows from fully performing exposures	4,19,457.94	3,14,593.46	5,24,643.42	3,93,482.57
Other cash inflows	19,284.31	14,463.23	4,307.35	3,230.51
TOTAL CASH INFLOWS	**5,11,755.91**	**3,83,816.94**	**5,85,393.77**	**4,39,045.33**
TOTAL HQLA		**1,79,087.52**		**40,761.15**
TOTAL NET CASH OUTFLOWS (Weighted value of Total Cash Outflows - Minimum of (Weighted value of Total Cash Inflows, 75% of Weighted value of Total Cash Outflows)		**27,982.05**		**15,641.51**
LIQUIDITY COVERAGE RATIO (%)		**640.01%**		**260.60%**

a) High Quality Liquid Assets consists of cash on hand and balances with banks in current accounts
b) Weighted Value is calculated at 115% of unweighted outflows and 75% of unweighted inflows

47 Disclosures under the Listing Agreement for Debt Securities

(i) Debenture Trustees:

Trustees for Public Issue
SBICAP Trustee Company Limited
Mistry Bhavan, 4th Floor, 122
Dinshaw Vachha Road,
Churchgate, Mumbai - 400020
Tel : 022-4302 5555
Fax : 022-22040465
Email : corporate@sbicaptrustee.com

Trustees for Perpetual Debt Instrument
Vistra ITCL (India) Limited (formerly IL&FS Trust Company Limited)
The IL&FS Financial Centre,
Plot C- 22, G Block,
Bandra Kurla Complex,
Bandra(E), Mumbai 400051
Tel +91 22 2659 3535
Fax +91 22 26533297
Email: mumbai@vistra.com

Trustees for Listed Private Placement & Public Issue
Catalyst Trusteeship Limited
GDA House, Plot No 85, Bhusari Colony (Right),
Paud Road, Pune – 411 038, Maharashtra
Office: +91 20 2528 0081
Fax: +91 20 2528 0275
Email: dt@ctltrustee.com

Trustees for Public Issue & Private Placement
Vardhman Trusteeship Private Limited
The Capital, 412 A. 4th Floor,
A-Wing, Bandra Kurla Complex
Bandra (East), Mumbai 400 051, Maharashtra
Tel: +91 22 4264 8335
E-mail: corporate@vardhmantrustee.com

(ii)Security:

1. Privately Placed Secured Debentures are secured by subservient charge on all current assets of the Company, both present and future.

2. Covered Bond issued by the Company in the nature of secured, redeemable, listed non-convertible debentures on a private placement basis is secured by way of first ranking pari passu charge by way of mortgage over, certain immovable property of the Company and is covered by receivables against a pool of gold loans originated by the Company amounting to a minimum cover of 1.10 / 1.15 / 1.20 times the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon, Default Interest accrued thereon. (as more specifically disclosed in Note 17).

3. Debentures issued by way of public issue are secured by exclusive mortgage and first charge over certain immovable property of the Company and subservient charge with existing secured creditors, on certain loan receivables (both present and future) of the Company, to be held on pari passu basis among the present and / or future NCD holder (as more specifically disclosed in Note 17).

4. Listed Debentures privately placed under Targeted Long-Term Repo Operations (TLTRO) is secured by first pari-passu charge on the present and future current assets of the Company along with other lenders and NCD investors with a minimum asset coverage ratio of 1.10 times of the value of the outstanding principal amounts of the Debentures. (as more specifically disclosed in Note 17).

(iii) Utilisation of Funds raised by way of Public Issue of Debt Securities:

The Company has utilised the Net Proceeds raised by way of allotment of Public Issue of Debt Securities and other Listed Debt Securities, in accordance with the Objects of such issue of debt securities. As at March 31, 2022, no portion of such allotted proceeds remain unutilized.

(iv)Others:

Particulars	At 31st March 2022	At 31st March 2021
Loans & advances in the nature of loans to subsidiaries	Nil	Nil
Loans & advances in the nature of loans to associates	Nil	Nil
Loans & advances in the nature of loans where there is-		
(i) no repayment schedule or repayment beyond seven years	Nil	Nil
(ii) no interest or interest below section 186 of the Companies Act	Nil	Nil
Loans & advances in the nature of loans to other firms/companies in which directors are interested	-	293.71

48 There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund established under Section 125 of the Companies Act, 2013.

49 The Board of Directors of the Company at its meeting held on March 23, 2022 has accepted the resignation of Mr. Mathai T.D., Company Secretary and Compliance Officer of the Company with effect from March 31, 2022. The Company has identified a suitable person for being appointed as the Company Secretary, who is expected to assume office with effect from June 02, 2022.

50 **Sustainability Initiatives to support the Environment**

The Company has 19 Wind Turbine Generators installed in Tamil Nadu having a combined power generation capacity of 23.225 Megawatt. During the year ended March 31, 2022, the said windmills generated 311.17 lakhs units of electrical energy (343.94 lakh units during the year ended March 31, 2021).

51 Previous year's figures have been regrouped/rearranged, wherever necessary to conform to current year's classifications / disclosure.

<This section has been intentionally left blank>

(Rupees in lakhs, except for share data and unless otherwise stated)

52. Details disclosed under the Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

Sr. no.	Particulars	Amount outstanding	Amount overdue
	LIABILITY SIDE		
1	**Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid**		
	a. Debentures		
	Secured	4,04,762.18	246.27
	Unsecured	-	-
	b. Deferred credits	-	-
	c. Term loans	4,25,282.88	-
	d. Inter-corporate loans and borrowings	-	-
	e. Commercial paper	-	-
	f. Public Deposits	-	-
	g. Other loans:		
	Working capital loans from banks	7,28,506.76	-
	Finance Lease Obligation	-	-
	Pass Through Certificate	-	-
	Loan against Deposits	-	-
	Loan from directors	-	-
	Perpetual Debt Instruments	38,419.24	-
	Subordinated Debts	2,28,903.25	3,122.56

Sr. no.	Particulars	Amount outstanding
	ASSET SIDE	
2	**Break-up of Loans and advances including bills receivables (Other than those included in (4) below)**	
	a. Secured	16,99,919.57
	b. Un-Secured	1,601.31
3	**Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities**	
	(i) Lease assets including lease rentals under sundry debtors:	
	(a) Financial Lease	-
	(b) Operating Lease	-
	(ii) Stock on hire including hire charges under sundry debtors	
	(a) Assets on hire	-
	(b) Repossessed Assets	-
	(iii) Other loans counting towards AFC activities	
	(a) Loans where assets have been repossessed	-
	(b) Loans other than (a) above	-

Sr. no.	Particulars	Amount outstanding
4	**Break-up of Investments**	
	Current Investments	
	1. Quoted:	
	i. Shares	
	(a) Equity	1,646.32
	(b) Preference	-
	ii. Debentures and Bonds	-
	iii. Units of Mutual Funds	-
	iv. Government Securities	-
	v. Others	465.24
	2. Un-Quoted:	
	i. Shares	
	(a) Equity	-
	(b) Preference	-
	ii. Debentures and Bonds	-
	iii. Units of Mutual Funds	-
	iv. Government Securities	-
	v. Others	-
	Long Term Investments	
	1. Quoted:	
	i. Shares	
	(a) Equity	-
	(b) Preference	-
	ii. Debentures and Bonds	-
	iii. Units of Mutual Funds	-
	iv. Government Securities	-
	v. Others	-
	2. Un-Quoted:	
	i. Shares	
	(a) Equity	1,57,993.98
	(b) Preference	1,197.53
	ii. Debentures and Bonds	987.91
	iii. Units of Mutual Funds	-
	iv. Government Securities	-
	v. Others	1,668.09

5 Borrower group wise classification of assets financed as in (2) & (3) above

Category	Amount net of provisions		
	Secured	Unsecured	Total
1.Related Parties			
a. Subsidiaries	-	-	-
b. Companies in the same group	-	-	-
c. Other related parties	19,961.55	-	19,961.55
2.Other than related Parties	16,79,958.02	1,601.31	16,81,559.34
Total	**16,99,919.57**	**1,601.31**	**17,01,520.88**

6 Investor group-wise classification of all investments (Current and Long term) in shares and securities (both quoted and unquoted);

Category	Market value/Breakup or Fair value or NAV	Book Value (Net of Provisions)
1.Related Parties		
a. Subsidiaries	1,57,771.74	1,57,771.74
b. Companies in the same group	24.14	24.14
c. Other related parties	198.10	198.10
2.Other than related Parties	7,172.52	5,965.08
Total	**1,65,166.50**	**1,63,959.06**

7 Other Information

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related Parties	-
(b) Other than related parties	49,959.29
(ii) Net Non-Performing Assets	
(a) Related Parties	-
(b) Other than related parties	27,190.39
(iii) Assets Acquired in satisfaction of debt	-

Additional Disclosure requirements as per Master Direction DNBR. PD. 008/03.10.119/2016-17, September 01, 2016

1 Capital Adequacy Ratio

Particulars	As at 31st March 2022	As at 31st March 2021
CRAR (%)	19.42%	16.85%
CRAR – Tier I Capital (%)	14.73%	12.09%
CRAR – Tier II Capital (%)	4.69%	4.76%
Amount of subordinated debt raised as Tier-II capital (eligible amount, restricted to 50% of Tier-I capital)	75,948.24	88,843.99
Amount raised by issue of Perpetual Debt Instruments	39,900.00	26,400.00

The percentage of Tier I PDI to the Tier I Capital of the Company as at 31st March 2022 is 13.49% (31st March 2021 - 10.77%). PDI in excess of 15% of the previous year Tier I Capital has been considered under Tier II Capital.

2 Investments

Particulars	As at 31st March 2022	As at 31st March 2021
Value of Investments		
(i) Gross Value of Investments		
(a) In India	1,65,166.50	1,63,011.03
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	(1,207.44)	(1,207.44)
(b) Outside India	-	-
(iii) Net Value of Investments		
(a) In India	1,63,959.06	1,61,803.59
(b) Outside India	-	-

Particulars	As at 31st March 2022	As at 31st March 2021
Movement of provisions held towards depreciation of investments		
(i) Opening Balance	(1,207.44)	(1,207.44)
(ii) Add: Provisions made during the year	-	-
(iii) Less: Write off/write back of excess provisions during the year	-	-
(iv) Closing balance	(1,207.44)	(1,207.44)

3 **Derivatives**

The Company did not have any Derivative transaction during the year.

4 **Securitisation**

Details of Securitisation undertaken by the Company

Particulars	As at 31st March 2022	As at 31st March 2021
(i) Number of accounts	-	35,166
(ii) Aggregate value (net of provisions) of accounts sold	-	9,996.74
(iii) Aggregate consideration	-	9,996.74
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / loss over net book value	-	-

Details of Direct Assignment of Cash Flow transactions undertaken by the Company

Particulars	As at 31st March 2022	As at 31st March 2021
(i) Number of accounts	-	5,13,386
(ii) Aggregate value (net of provisions) of accounts sold	-	2,13,992.78
(iii) Aggregate consideration	-	2,13,992.78
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / loss over net book value	-	14,552.26

5 **Asset Liability Management Maturity pattern of certain items of Assets & Liabilities**

Description	Up to 1 month	>1 to 2 month	>2 to 3 months	>3 to 6 months	6months to 1 yr	>1 to 3 yrs	>3 to 5 yrs	>5 yrs	Total
Advances	3,04,798.95	79,406.84	97,001.38	5,72,922.41	6,16,234.92	2,805.44	199.48	28,151.47	17,01,520.88
Investments	2,111.56	-	-	-	-	1,511.72	-	1,60,335.78	1,63,959.06
Borrowings	70,673.48	43,862.32	53,776.81	1,66,605.83	7,82,516.06	4,66,380.03	95,770.15	91,887.99	17,71,472.68
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

6 Exposures

Exposure to Real Estate Sector

Category	As at 31st March 2022	As at 31st March 2021
a. Direct Exposure		
i. Residential Mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	6,790.06	6,837.25
ii. Commercial Real Estates		
Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction etc.) Exposure would also include non- fund based (NFB) limits.	-	-
iii. Investments in Mortgage Backed Securities (MBS) and other securitized exposures		
a. Residential	-	-
b. Commercial Real Estate	-	-
b. Indirect exposure		
(i) Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	16,986.37	16,986.37
(ii) Others	56,236.71	59,236.71
Total Exposure to Real Estate Sector	**80,013.14**	**83,060.33**

Exposure to Capital Market

Category	As at 31st March 2022	As at 31st March 2021
(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;	1,646.32	1,038.94
(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 ;	-	-

Category	As at 31st March 2022	As at 31st March 2021
(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	**1,646.32**	**1,038.94**

7 Miscellaneous

Registration obtained from other financial sector regulators
The company has not obtained registrations from any other financial sector regulators during the year.

Disclosure of Penalties imposed by RBI and other regulators
No penalty was imposed on the Company during the year.

Policy on dealing with Related Party Transactions
The Related Party transactions are entered into complying with the relevant provisions of the Companies Act, 2013.

Ratings assigned by credit rating agencies and migration of ratings during the year
The Company's Long Term Credit Rating by CRISIL has remain unchanged at CRISIL A+/Stable in FY2020-21 as compared to FY2021-22. The Long Term Credit Rating by Brickwork stood at BWR A+(outlook stable) for FY2021-22. The latest debt-wise Rating of the Company are as below:

Type	Rating (2021-22)	Rating (2020-21)	Date of Rating
Short Term Rating	CRISIL A1+	CRISIL A1+	28/02/2022
	BWR A1+	BWR A1+	15/03/2022
Long Term Rating	CRISIL A+/Stable	CRISIL A+/Stable	02/03/2022
Long Term Rating	BWR A+ (outlook stable)	BWR A+ (outlook stable)	15/03/2022
Perpetual Debt Instruments	CRISIL A-/Stable	CRISIL A-/Stable	15/03/2022
	BWR A/Stable	BWR A/Stable	15/03/2022
Subordinate Debt	CRISIL A+/Stable	Withdrawn on redemption	15/03/2022
	BWR A+/Stable		15/03/2022
Non-Convertible Debentures (NCD)	CRISIL A+/Stable	CRISIL A+/Stable	15/03/2022
	BWR A+/Stable	BWR A+/Stable	15/03/2022
Covered Bond	CRISIL AA+ (CE)/ Stable	CRISIL AA+ (CE)/ Stable	08/06/2020

Remuneration of Directors – Non-Executive Director

The Company has paid INR 500.00 to Mr. Thomas George Muthoot, Non-Executive Director of the Company during the year. Remuneration (other than Sitting Fee) has not been paid to any of the other Non-Executive Directors.

Draw down from Reserves

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

8 Provisions and Contingencies

Particulars	As at 31st March 2022	As at 31st March 2021
Break-up of Provision and contingencies in statement of profit and loss		
Provision towards NPA	5,748.11	(670.40)
Provisions for depreciation on Investment	-	-
Provision made towards current tax	13,719.62	13,504.00
Provision for Gratuity & Leave Encashment	733.03	670.61
Provision for Standard Assets	1,404.62	2,099.40

9 Additional Disclosures

Concentration of Advances

Particulars	As at 31st March 2022	As at 31st March 2021
Total Advances of twenty largest borrowers	34,046.06	34,421.55
Percentage of Advances of twenty largest borrowers to Total Advances of the NBFC	1.97%	1.84%

Concentration of Exposures

Particulars	As at 31st March 2022	As at 31st March 2021
Total Exposure of twenty largest borrowers / customers	34,123.19	34,487.80
Percentage of Exposure of twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	1.97%	1.85%

Concentration of NPA's

Particulars	As at 31st March 2022	As at 31st March 2021
Total Exposure to top four NPA accounts	9,413.05	9,365.31

Sector-wise NPA's

Particulars	As at 31st March 2022	As at 31st March 2021
1. Agriculture & allied activities	21,758.28	9,526.78
2. MSME	13,146.36	10,163.16
3. Corporate borrowers	13,747.04	14,428.83
4. Services	-	-
5. Unsecured personal loans	1,307.60	1,839.67
6. Auto loans	-	-
7. Other personal loans	-	-

Movement of NPA's

Particulars	As at 31st March 2022	As at 31st March 2021
(i) Net NPAs to Net Advances (%)	1.59%	1.01%
(ii) Movement of NPAs (Gross)		
Opening balance	35,958.45	26,260.47
Additions during the year	5,12,465.17	1,29,838.69
Reductions during the year	4,98,464.33	1,20,140.72
Closing balance	49,959.29	35,958.45

Particulars	As at 31st March 2022	As at 31st March 2021
(iii) Movement of Net NPAs		
Opening balance	18,937.66	8,569.29
Additions during the year	2,78,909.65	68,380.08
Reductions during the year	2,70,656.92	58,011.71
Closing balance	27,190.39	18,937.66
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
Opening balance	17,020.78	17,691.18
Additions during the year	2,33,555.52	61,458.62
Write-off / write-back of excess provisions	2,27,807.41	62,129.01
Closing balance	22,768.90	17,020.78

Off-Balance Sheet SPV's sponsored

Name of the SPV Sponsored	
Domestic	Overseas
Nil	Nil

Disclosure of Customer Complaints

Particulars	Number
Number of complaints pending at the beginning of the year	57
Number of complaints received during the year	9250
Number of complaints redressed during the year	9268
Number of complaints pending at the end of the year	39