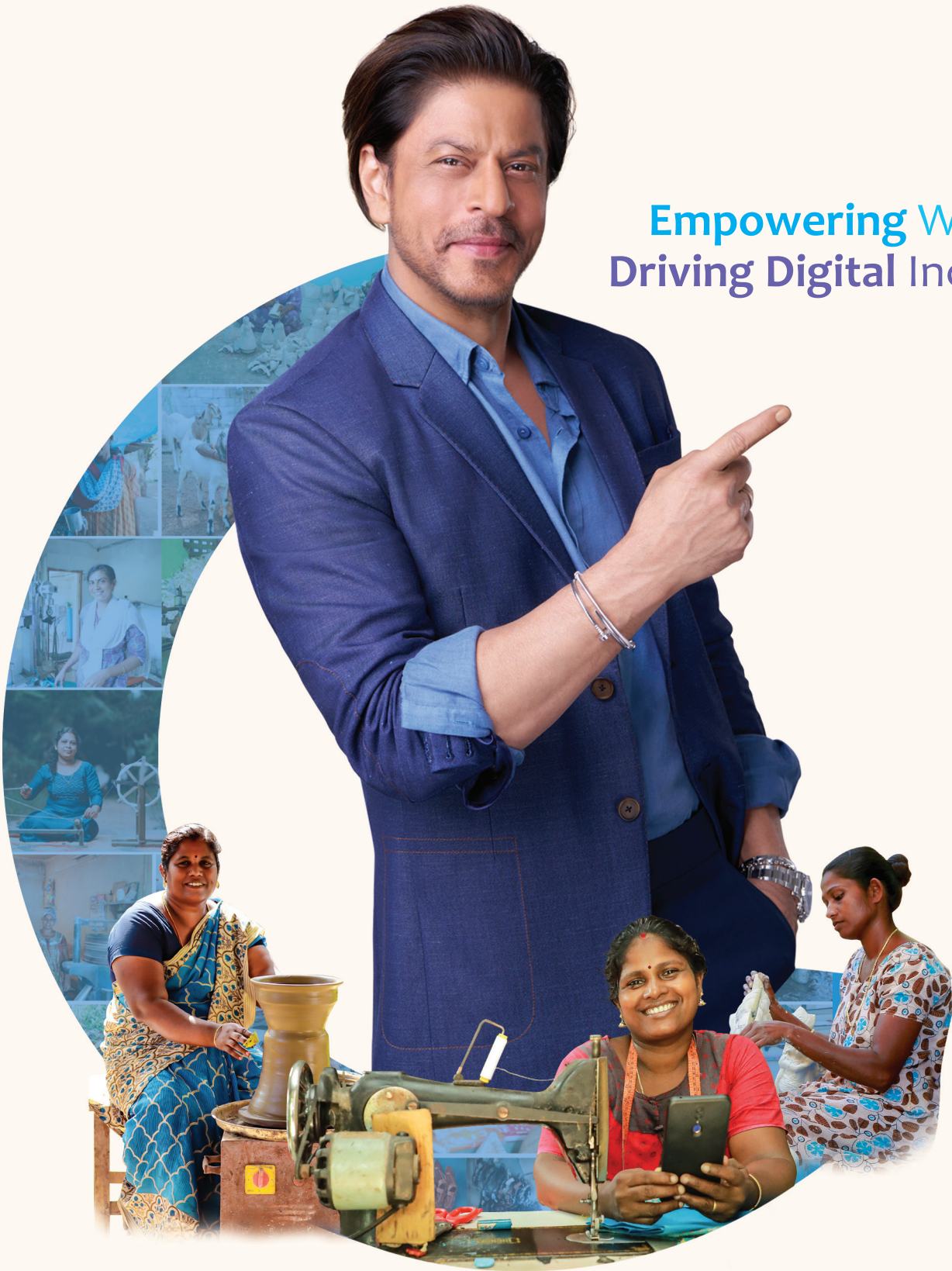


Empowering Women, Driving Digital Inclusion



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Forward-looking statement

Some information in this report may contain forward-looking statements. We have based these forward looking statements on our current beliefs, expectations and intentions as to facts, actions and events that will or may occur in the future. Such statements generally are identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. A forward-looking statement may include a statement of the assumptions or basis underlying the forward-looking statement. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution you that forward-looking statements and assumed facts or bases almost always vary from actual results, and the differences between the results implied by the forward-looking statements and assumed facts or bases and actual results can be material, depending on the circumstances.





PAPPACHAN MUTHOOT

FOUNDER
(1927 - 2004)

The true measure of our success in life is not what we achieve for ourselves, but what we do for others.



Blue is Belief

Muthoot FinCorp | Muthoot Capital | Muthoot Housing Finance | Muthoot Microfin | Muthoot Chits
Muthoot Insurance | Muthoot Hotels | Muthoot Motors | Muthoot Real Estate | Muthoot IT Services
Muthoot FinCorp ONE | Muthoot Precious Metals | Muthoot Alternate Energy
Muthoot Excellence in Sports | Muthoot Pappachan Foundation | Muthoot Skill Development

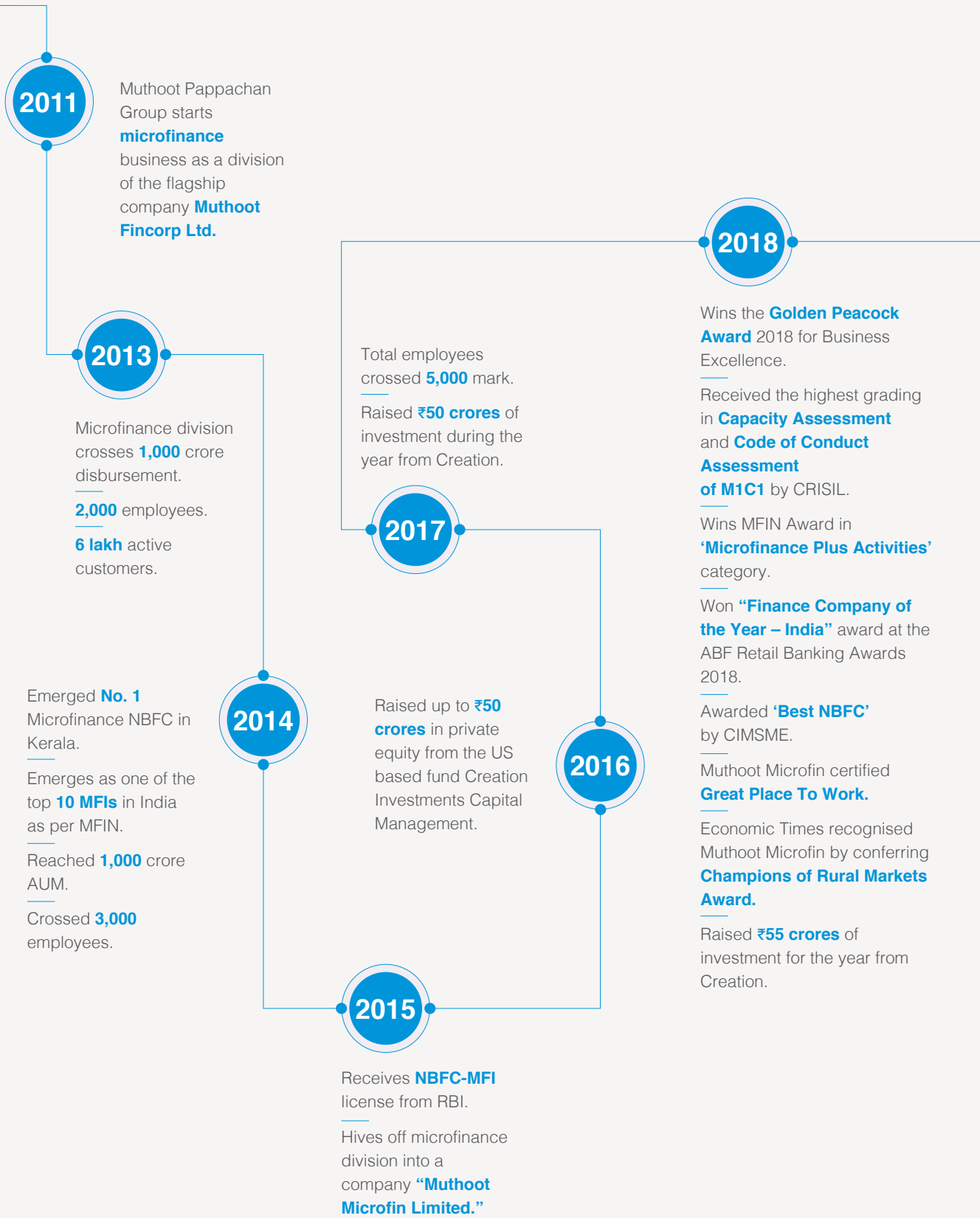
5300+
BRANCHES

38000+
MUTHOOTIANS

16 Million
FAMILIES SERVED

7.9 Million
WOMEN CUSTOMERS

MILESTONES*



2019

Portfolio surpassed **4,000 Crores.**

Crossed **600** branches.

Muthoot Microfin CFO, Praveen T selected to Annual CFO100 Roll of Honour.

Crosses **10,000 Crore** total disbursement.

Muthoot Microfin signs MoU with **Water.org.**

Muthoot Microfin certified **best place to work** in industry.

Muthoot Microfin signs MoU with **Indian Bank** to jointly lend to the MSME borrowers.

Won '**Golden Peacock Global Award** for Corporate Governance Excellence.

CRISIL upgraded the rating to A Stable for bank facilities and debt instruments.

2020

Wins '**Microfinance Company of the Year -2019**' award by Dhanam Business Magazine.

Launches new Website.

2022

Started offering **digital healthcare** to customers through **e-clinics.**

Crossed **2 Million** active customers.

Crossed **7000 Crore** Asset Under Management.

Secures **\$35 Million** additional capital investment from Greater Pacific Capital.

CEO received "**The Economic Times Inspiring CEOs 2022**" Award.

Entered **Uttarakhand.**

Entered **Himachal Pradesh.**

CRISIL reaffirms **M1C1** grading.

Opens **1000th** branch.

Raises **\$25 Million** in External Commercial Borrowing.

Honoured with **IT innovation awards.**

CRISIL upgraded the rating to **A+ Stable** for long-term **bank** facilities and **debt** programmes.

2021

Secures **\$25 Million** Private Equity investment from Greater Pacific Capital.

Received special honours from **Great Place To Work** Institute.

Crosses **800** branches.

AUM Crossed **₹5,000 crores.**

Launches Customer App – **Muthoot Mahila Mitra.**

2023

Great Place To Work certified for the 4th time.

Crossed **10,000** employees.

Crossed **10,000** crore Asset Under Management

Awarded '**ASSOCHAM Outstanding Financial Performance Award**'.

Listed in Indian Stock exchange with **highest subscribed MFI IPO** compared to its listed peers.

Gold Level Certification for Client Protection by M-CRIL.

2024

Entered **Telangana.**

Raised **\$75 million** via ECB.

Crossed **13,800** employees.

Crossed **12,000** crore AUM.

Awarded '**Microfinance Company of the Year**' at ET Business Awards 2024.

Recognised among India's top **50 Best Workplaces™** in Health and Wellness 2023.

Great Place To Work certified for the 5th time.

Crossed **1500** branches.

'Year mentioned is calendar year'

Managing Director's Statement



Dear Shareholder's

FY24 has been a landmark year for your company with many notable highlights and achievements throughout the course. I am profoundly proud of our Initial Public Offering (IPO) that took place in December 2023 and which was highly oversubscribed (11.52 times). The IPO has unlocked substantial value for our shareholders and will generate rewards in the coming years and beyond. This record-breaking achievement—the strongest among our listed MFI peers—reflects the profound investor confidence in our Company's vision and the immense potential of the microfinance sector. Such significant investor participation has reinforced our capital base while also providing us with the financial strength to pursue our ambitious growth plans.

The microfinance industry in India is a secular success story driven by structural tailwinds that collectively position the industry for exponential growth. To begin with, the regulatory environment in India has become increasingly conducive, with favourable government initiatives fostering a robust microfinance ecosystem and encouraging the growth of MFIs.

Second, the industry has ample headroom for expansion; and more so because, despite its expansion, the microfinance space remains underpenetrated, particularly in rural and semi-urban areas. This gap provides several opportunities and enables larger and more agile players like us to capture market share.

Third, the sector's resilience to economic cycles is a key strength. Microfinance institutions typically serve underserved populations whose credit demand remains steady regardless of broader economic fluctuations. This resilience ensures that the sector can



“

The microfinance industry in India is a secular success story driven by structural tailwinds that collectively position the industry for exponential growth.

”

maintain consistent growth even during economic downturns.

There is also a growing demand for microcredit, driven by small businesses and entrepreneurs whose needs are often not met by traditional banking services. Further, the microfinance industry itself has witnessed substantial expansion in recent years contributing deeply to the country's policy goals - increasing GDP and generating employment opportunities. Despite this scale, the sector remains fragmented, offering opportunities for consolidation and the emergence of dominant players.

By harnessing these trends, at Muthoot Microfin, we are geared to capitalise on the immense growth potential of the microfinance industry while simultaneously fulfilling our credo of catalysing social and economic progress. Following our recent IPO, we are leveraging the new capital for business purposes, widening our reach and driving asset expansion.

During the year gone by, we have accelerated on our technology, empowered greater number of customers and persistently streamlined our operations harnessing agility and

scale to execute our long-term vision and strategy for the company.

At the forefront of technological advancements.

Digital advancements have been an integral part of our success this year. We have implemented a robust end-to-end digital platform, streamlining loan applications, processing and disbursal. This, coupled with the integrated mobile app (Mahila Mitra) and digital repayment functionalities, has enhanced operational efficiency and customer convenience. The results are clear; we have seen a notable surge in turnaround times and digital collections, exceeding our initial targets. By prioritising digital adoption, we have not only improved service delivery but also empowered our customers, furthering financial inclusion across India. Your Company will continue to embrace technology, integrate solutions and explore new digital initiatives in the coming year.

Building a responsible and sustainable enterprise.

By empowering our clients and underserved communities, we contribute to a ripple effect that strengthens the overall economic landscape. Our success is ultimately measured not only by financial metrics but also by the positive social transformation we facilitate.

Recognising our responsibility to the communities we serve, the Muthoot Pappachan Foundation (MPF), the CSR arm of Muthoot Pappachan Group, spearheads impactful initiatives that address critical social needs. The Smile Please Mission, our flagship project, has conducted 2,882 free cleft surgeries on children from 13 states, providing comprehensive care including speech therapy and nutrition support.

“

Digital advancements have been an integral part of our success this year. We have implemented a robust end-to-end digital platform, streamlining loan applications, processing and disbursal.

”

Additionally, our housing scheme has delivered 75 newly built houses to marginalised families living in vulnerable regions. Speaking of healthcare, we supported paediatric cancer patients, offered general treatment support and improved public health infrastructure. Our Access to Water project in Rajasthan has transformed the lives of farmers in 15 villages through interventions such as rainwater harvesting and afforestation. Further, MPF's sports academies support deserving children with talent in football, volleyball and cricket by providing them with professional training and coaching opportunities.

Your Company prioritises the financial literacy of its customers. In collaboration with the RBI and Sa-Dhan, we empowered approximately 13,000 women entrepreneurs through nearly 200 digital financial literacy workshops in the reporting year. Additionally, your Company's community outreach

initiatives, including blood donation drives to natural disaster relief activities, positively impacted over 10,000 individuals during the period.

Further, the natural calamity insurance cover facilitated by Muthoot Microfin enabled faster claim settlements for 21,000 customers (worth 8 crore) who were adversely affected by cyclone Michaung in Tamil Nadu in December 2023. This offered our customers peace of mind during a challenging time. Collaboration with our valued insurance partners has helped to expedite the claim process.

This year, we are particularly proud of our expanding, unique e-clinic initiative, which brings vital healthcare directly to remote rural communities. Through 681 e-clinics established within our branch network, we have facilitated over 5,22,851 consultations in just three years. These e-clinics provide simple and affordable healthcare solutions, including basic vitals checks and remote doctor consultations via tablets or laptops. This initiative empowers our

customers and their families to access quality healthcare, which was previously unavailable in these underserved areas. We remain committed to expanding this programme and shaping a healthier future for rural India.

Operational agility and excellence.

In the period under review, your Company's total income grew by a remarkable 58.02% amounting to 2,285.49 crore for the fiscal year ending on March 31, 2024, as compared to 1,446.34 crore in the preceding financial year. This substantial growth is mirrored in our total assets under management, which have surged by 32.42% to an impressive 12,193.50 crore, marking a substantial uptick from the previous year's 9208.29 crore. These positive financial outcomes are a direct result of our diligent efforts in expanding our market reach and fortifying our lending operations.

Moreover, our active customer base has expanded by 20.92%, recording a significant uptick from 2.77 million to 3.35 million customers. This surge in clientele underscores the trust and confidence that borrowers place in the Muthoot Pappachan Group. Subsequently, our net profit has soared by 174.32%, escalating from 163.89



This year, we are particularly proud of our expanding, unique e-clinic initiative, which brings vital healthcare directly to remote rural communities. Through 681 e-clinics established within our branch network, we have facilitated over 5,22,851 consultations in just three years.



crore to 449.58 crore, demonstrating the efficacy of our risk management strategies and prudent resource utilisation. These robust financial achievements reaffirm our position as a leading microfinance institution committed to fostering sustainable economic development.

Committed to good governance.

Muthoot Microfin is committed to good corporate governance, ethical conduct and adherence to regulatory requirements. We strive to achieve profitability while fulfilling our social responsibility and giving back to the communities in which we operate.

We maintain exemplary corporate governance and compliance practices, which are the cornerstones of our operations. Our commitment to transparency, accountability and ethical conduct is deeply ingrained in every facet of our business. We adhere strictly to regulatory requirements, ensuring that the best interests of our stakeholders are safeguarded and our business operations remain sustainable.

Our Board of Directors plays a pivotal role in providing strategic guidance and oversight and promoting a culture of integrity and responsible decision-making. Our robust compliance framework, supported by regular audits and internal controls, further strengthens our governance structure. We are dedicated to upholding the highest standards of corporate governance, as we believe it is fundamental to building trust, nurturing long-term relationships and driving sustainable growth for our Company and stakeholders.

I extend my heartfelt gratitude to the esteemed industry regulators, including SEBI, RBI and the Ministry of Corporate Affairs, for their unwavering support and regulatory guidance that has helped the microfinance industry navigate through dynamic market environments with confidence and prudence.

I also express deep appreciation to our dedicated employees, whose hard work and commitment drive our success. The vision and leadership of our management team and Board

of Directors have been instrumental in building business resilience and steering the Company towards long-term growth. However, our greatest appreciation goes to our customers, whose trust and loyalty form the bedrock of our operations. Your continued support inspires us to uphold the highest standards of service and integrity as we strive to make a positive impact in the microfinance sector. We are confident that by leveraging our strengths, embracing innovation and upholding our values, your Company is firmly positioned at for continued success in the years to come.

Backed by a robust financial performance, we remain optimistic about what lies ahead.

Thomas Muthoot

Managing Director

CEO's Statement



We made significant strides in IT infrastructure, embracing cloud computing, and spearheading paperless branch operations.



Dear Shareholder's

A year that will be etched in the history of Muthoot Microfin Limited.

I am honoured to present Muthoot Microfin Limited's (MML) Annual Report for the Financial Year 2023-24. This year has been truly remarkable, filled with many lifetime highs and significant milestones crossed. Among them, the most significant milestone was of listing your company on the Indian stock exchanges. This has been our longstanding goal and a testament to the unwavering commitment and dedication of our team and the trust placed in us by our investors, and customers.

Our initial public offering (IPO) in December 2023 marked a significant lifecycle milestone for Muthoot Microfin Limited. The overwhelming investor response, with an overall subscription rate of 11.52 times, is a testament to the confidence placed in your company's mission and financial strength. The IPO proceeds will allow us to strengthen our capital base, expand our branch network, and further our commitment to financial inclusion for women in underserved communities, fortifying the long-term growth prospects of your company.

Your company witnessed exceptional growth in FY2024. We relentlessly focused on client needs, operational excellence, and strategic expansion, propelling MML forward.

- ▶ MML branch network expanded significantly, reaching 19 states with 1,508 branches. We entered Telangana and broadened our presence in states like UP, Bihar, Uttarakhand and Himachal Pradesh.
- ▶ Your company achieved record-breaking loan disbursements, disbursing a staggering 24.32 lakh loans valued at 10,662 crore in FY24.
- ▶ Asset under management (AUM) of MML reached new heights to 12,193.50 crore, with North India surpassing 2,800 crore and Tamil Nadu exceeding 3,100 crore.

Through the recent expansion into Telangana and planned entry into Andhra Pradesh, the company demonstrates its commitment to expanding its footprints nationwide. Our extensive network of branches has reached to 1,508 branches, which serves as a foundation for customer service, new customer acquisition, customer retention, and brand building.

Muthoot Microfin now serves a remarkable 33.5 lakh active customers, having added an impressive 10.03 lakh new customers to our base. In addition to this our unwavering commitment towards asset quality remains strong as ever and through proactive risk mitigation strategies, effective underwriting, and meticulous auditing, we maintained exceptional portfolio quality, which is evidently reflected in reduction of our credit cost to 1.7% in FY24 vs 3% during FY23. This was achieved through robust underwriting and effective debt management strategies which resulted in consistent reduction in our GNPA (Gross Non-Performing Assets) to 2.29% in FY24 vs 2.97% in FY23 and Net NPA of 0.35% in FY24 vs 0.60% in FY23. During the FY24, improvement in portfolio quality and reduction in credit cost was achieved while maintaining a healthy provision coverage of 85%.

In the period under review, your company experienced a notable 58% rise in total income, reaching 2,285.49 crores for

the financial year 2023-24 compared to 1,446.34 crores in the previous financial year. At the same time your company recorded its ever-highest profit of 449.58 crores, it is a 174.32% surge in net profit, as compared to 163.89 crores in the preceding financial year. Furthermore, the total comprehensive income for FY24 amounted to 463.26 crores, contributing to an overall net worth of 2,804.35 crores.

With this your company has achieved a healthy capital adequacy ratio of 29% and debt to equity ratio of 2.98 times. This is helped by a successful primary capital raise of 760 crore via IPO during the financial year and healthy profitability that your company has maintained QoQ. During the year, your company has achieved an RoA of 4.2% and RoE 20.30%. The healthy capital base will allow us to leverage and continue to consistently grow our AUM.

In the period, your company secured over 9,241.6 crore in debt financing. Additionally, we successfully closed a landmark ECB deal of \$75 million (622 crore) with participation from leading international banks. With this transaction we have made good progress in our stated goal of diversifying our sources of funds. In coming year, we will continue to make more strides in this direction, the interest we have seen among international investors encourages us to do more ECB transactions. It will help us bring our cost of funds down and it will also help us raise long term funds and improve our asset liability mix. As per our ALM committee and board's guidance, we will continue to borrow ECB as a fully hedged facility, not carrying any interest rate or foreign currency risk on our balance sheet.

During the year, we continued to foster our co-lending partnership with Axis Bank and our BC relationship with SIDBI. We will continue to build on these relationships to offer more customised and cost-effective products to our customers.

During the year, we had passed on the benefit of improving CoF to our customer up to 55bps, while maintaining a healthy NIM of 12.7%. In the coming year, we will continue to share the benefit of improved CoF with our customers, at the same

time improving on our NIM, utilising the efficiencies in our fund raising practice.

We made significant strides in IT infrastructure, embracing cloud computing, and spearheading paperless branch operations. Notably, our Mahila Mitra app, a unique offering in the microfinance industry, has empowered 1.6 million customers cumulatively and facilitated over 2,112.8 crore in digital collections in FY24. In the Financial Year your company has collected 25.92 percentage of its overall repayments through digital means. This is a healthy improvement of 561bps in our digital payments share over the previous financial year where we achieved 20.31% of our overall collections in digital format.

Our workforce has grown to a remarkable 13,866 employees, each of them contributing to our success. We are committed to fostering a healthy work-life balance for all our team members. We foster a positive work environment for our employees, emphasizing performance measurement, rewards, and regular feedback. We are immensely proud to be recognized as a "Great Place to Work" for the fifth year.

We firmly believe in the power of sustainability. Our focus on ESG (Environmental, Social, and Governance) underlines our commitment to sustainability. Sustainability is a core principle reflected in our strong ESG policies and practices. We are dedicated to responsible growth that benefits all stakeholders, with a focus on environmental and social impact. Aligning our business strategy with technological advancements, organizational growth, and a holistic ESG approach will create long-term value for all our stakeholders.

Muthoot Microfin Limited upholds stringent and robust risk management practices that are paramount to our operational success and resilience. Our risk management framework encompasses a comprehensive assessment of various risks, including credit, liquidity, operational risk, market risks and cyber security risk. We employ advanced analytics and technology-driven tools to monitor, evaluate, and

mitigate these risks effectively. Our prudent lending practices, coupled with rigorous due diligence processes, ensure that we maintain a healthy loan portfolio with minimal non-performing assets (NPAs). Furthermore, our proactive approach to liquidity management safeguards against any liquidity crunches, enabling us to meet our obligations timely and efficiently. We also prioritize regulatory compliance and adhere strictly to industry standards and best practices. Overall, our commitment to robust risk management practices reinforces our financial stability and positions us favourably for sustainable growth and success in the microfinance industry.

The road ahead

As we celebrate our accomplishments, we remain steadfast in our pursuit of excellence. For FY25, our focus lies on five key growth pillars:

1. AUM Growth and consistency in performance.
2. Asset Quality (maintaining exceptional portfolio quality with superior collection rates and lowest NPA in the industry)
3. Digital Transformation (further promoting Muthoot Mahila Mitra App adoption and digital collections)
4. Customer Centricity (ensuring customer retention and satisfaction)
5. Governance, Transparency, and Employee Satisfaction

As I reflect on the journey of Muthoot Microfin Limited, I am immensely proud of our achievements and growth over the past year. Our commitment to financial inclusion, coupled with robust risk management practices, has been instrumental in navigating through challenges and seizing opportunities. I extend my heartfelt gratitude to our dedicated team, loyal customers, supportive stakeholders, and esteemed Board of Directors for their invaluable contributions and unwavering trust. As we look ahead, I am confident that Muthoot Microfin will continue to be a beacon of excellence in the microfinance industry, empowering lives and fostering sustainable development. Together, we will chart new heights and create lasting impact in the communities we serve.

Sadaf Sayeed

Chief Executive Officer

Responsibly building a better tomorrow

Muthoot Microfin is committed to promote inclusive growth, primarily by empowering women entrepreneurs. With an extensive network of 1508 branches across the country, we have consistently championed the cause of financial inclusion and women empowerment.

Since our inception, we have disbursed INR 405.25 billion (US\$ 4,860.27 million) in micro-loans, benefitting over 5.33 million women entrepreneurs. At present, our active customer base consists of 3.35 million women, and we aspire to provide swift and seamless access to favourable financial solutions to our growing client base – thereby nurturing the cause of economic growth and societal progress in India's rural heartlands.



ESG

Goals and Initiatives

At Muthoot Microfin, our vision extends beyond financial success to encompass a holistic approach to societal well-being and environmental stewardship. In alignment with our core values, we prioritise Environmental, Social and Governance (ESG) principles as the foundation of our corporate ethos. Our dedication to ESG initiatives underscores our unwavering resolve to effect positive change within the communities we serve while enhancing efforts for preserving the planet for future generations.



The overarching goal of MML initiatives is to foster community and small enterprise development, financial inclusion and women empowerment while promoting environmental sustainability and strong governance. ”



Environment

Our commitment to environmental sustainability and community development is evidenced through our structured initiatives and impactful outcomes. By offering financial assistance for the acquisition of solar lanterns, bicycles and the construction of sanitation facilities, we actively strive to limit carbon emission, combat global warming and improve air quality.

Empowered

705,227

Households

2,842,214

individuals with clean energy

Helped reduce

550,724

tonnes of CO₂ emission

Financed the construction of

1,06,050

sanitation facilities to promote proper sanitation in rural areas

Our extensive reach across rural areas has led to the creation of nearly 14,000 employment opportunities as of 31 March 2024. It has not only strengthened local economies but also played an important role in curbing migration to urban areas.

At the same time, we remain committed to environmental sustainability and have implemented waste management practices, paperless operations and energy efficient procedures.





“

As part of our broad sustainability efforts, Muthoot Pappachan Group, the Company's promoter, has ventured into renewable energy initiatives. The development of wind farms in Tamil Nadu stands as a testament to this commitment. These farms collectively have a total installed capacity of 25 megawatts, making a significant contribution towards harnessing clean energy and reducing dependence on conventional sources of power.

”





Social

We are dedicated to empowering women entrepreneurs by providing them access to essential resources and mentorship. By offering microloans and mentorship programmes, we enable women from underserved communities to lead successful businesses and make informed financial decisions. With an active customer base of 3.3 million women entrepreneurs, we continue to make a profound impact on economic empowerment.

In line with our commitment to improve access to healthcare facilities, we have established 681 e-clinics in rural areas.

It offers access to affordable healthcare and also makes provision for video consultation with doctors. Over the past four years, we have facilitated 8,37,446 medical consultations through e-clinics.

Fostering a culture of continuous learning, skill development and teamwork is paramount at Muthoot Microfin. Employees are encouraged to contribute to policy-making processes and it helps to nurture a collaborative and inclusive work environment.

We also strive to offer competitive salaries, monthly incentives, yearly bonus, upskilling opportunities and comprehensive benefit packages to our people. Our commitment to employee well-being has earned us prestigious accolades. Muthoot Microfin has been

recognised as a 'Great Place to Work' and ranked among the top 30 BFSI companies in India by the Great Place to Work Institute.

We also actively engage in community outreach programmes. From facilitating free breast cancer testing camps for women in rural areas to carrying out relief efforts during natural calamities and the pandemic, we consistently engage in various social welfare programmes.

Our Community Outreach Initiatives Benefitted

10,000+

Individuals in FY24





Additionally, we prioritize providing skill training and enhancing financial literacy among our customers. Recently, the company organized nearly two hundred digital financial literacy workshops in collaboration with the RBI and SaDhan, empowering approximately 13,000 women entrepreneurs through these initiatives.

Under the umbrella of the Muthoot Pappachan Foundation (MPF), our CSR arm, numerous community development programmes have been implemented. Noteworthy among these initiatives is 'Restart India', which aids small businesses in recovering from

the Covid-19 crisis. It offers essential advice and support to companies that are reeling under the effect of the pandemic. Additionally, the 'Smile Please' mission in partnership with Mission Smile, MPF has facilitated free cleft lip surgeries for underprivileged children, with 2,882 surgeries performed across the country, providing comprehensive care including speech therapy and nutrition support.

Additionally, MPF's housing scheme has delivered 75 newly built houses to marginalized families living in the vulnerable regions. In healthcare, we support paediatric cancer patients, offer

general treatment support, and improve public health infrastructure.

Our Access to Water project in Rajasthan has transformed the lives of farmers in 15 villages through interventions like rainwater harvesting and afforestation. Furthermore, MPF's sports academies nurture talent in football, volleyball, and cricket among deserving children, offering professional training and coaching opportunities.

Through these endeavours, Muthoot Microfin and the Muthoot Pappachan Foundation continue to positively impact lives and contribute to societal well-being.



Governance

Our commitment to ethical conduct and good governance forms the bedrock of our operations. Our governance framework is meticulously crafted to uphold principles of transparency, accountability and integrity across all facets of our business. With an experienced board at the helm, we ensure independent and objective decision-making.

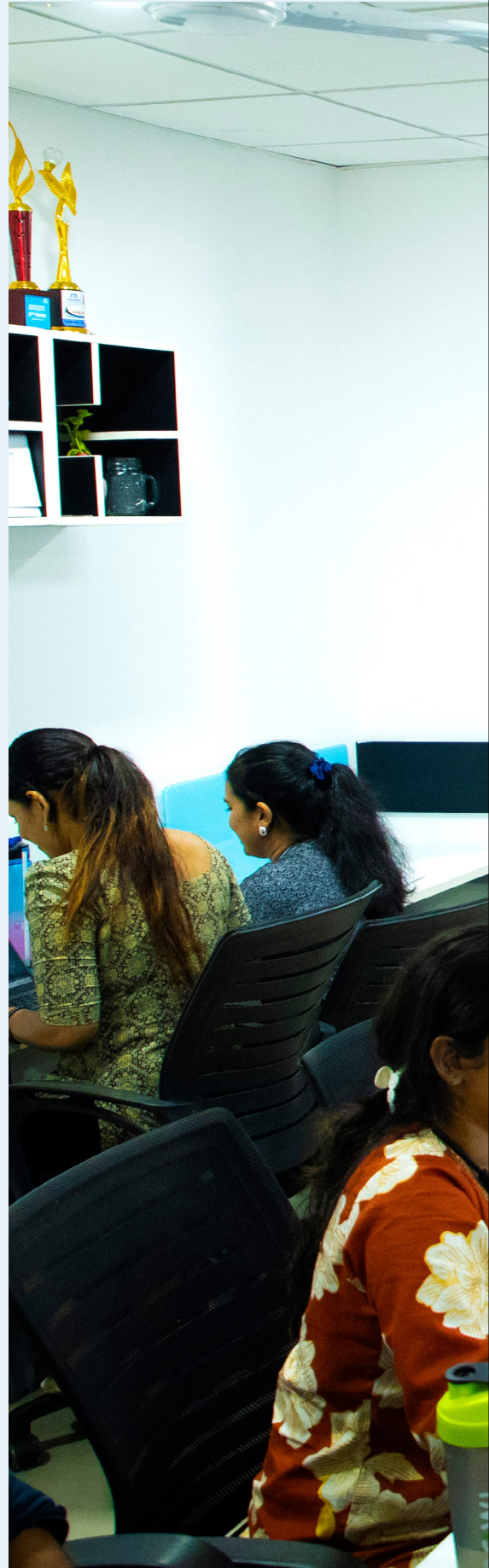
Regular independent audits and transparent financial reporting underscore our dedication to upholding the highest standards of governance. In addition to statutory external audits and investor due diligence procedures, internal audits help to conduct comprehensive assessments to ensure adherence to regulatory requirements and internal policies.

Engagement with stakeholders is fundamental to our ethos and we actively solicit feedback from clients, employees and investors to address

their needs and concerns promptly. It fosters regular communication, promotes transparency and trust.

We operate in a highly regulated environment and therefore, strive to maintain an exemplary compliance track record, ensuring complete adherence to statutory regulations mandated by regulatory bodies such as the Ministry of Corporate Affairs and the Reserve Bank of India.

We have also forged partnerships with renowned agencies like Water.org and MEC to drive sustainability initiatives, encompassing the areas of water and sanitation and clean energy. Our commitment to Environmental, Social and Governance (ESG) principles is reflected through a comprehensive ESG policy that governs all our activities and processes. By integrating ESG considerations into our operation, we aim to create a positive impact on the community and contribute to a sustainable future.





Click the link to learn more about ESG policies and approaches: <https://muthootmicrofin.com>

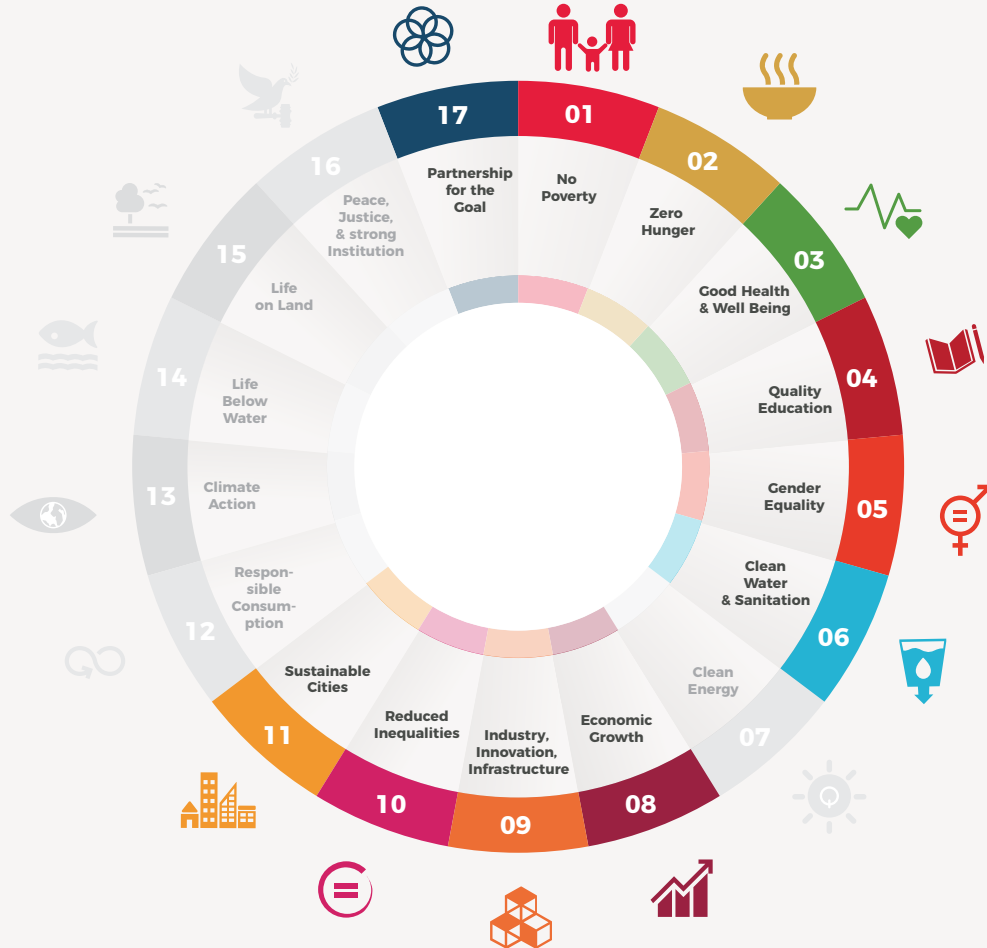
MML and Sustainable Development Goals (SDGs)

Muthoot Microfin is dedicated to fostering a sustainable economy through promoting awareness and engagement with the Sustainable Development Goals (SDGs) established by the United Nations General Assembly, which serve as the bedrock for a flourishing, regenerative global community.

Progressing steadily, we are actively working towards advancing the SDGs by integrating them into our operations, services, and assessing our impacts in terms of social well-being, environmental conservation, and economic prosperity. Additionally, we are committed to implementing sustainability-focused policies and frameworks that prioritise both exclusions and inclusions, aiming to institutionalize sustainable business expansion.



Through our inclusive services, we directly/indirectly contribute to the following SDGs:





No poverty: Empower individuals and communities by providing access to financial resources, reducing poverty, and promoting economic inclusion.



Zero hunger: Enable small farmers and food producers to invest in agriculture, leading to increased food production and food security.



Good health and well-being: Offer voluntary health insurance promoting good health and well-being of the borrowers



Quality education: Provides training and education on financial literacy, business management and other skills.



Gender equality: Promote gender equality by targeting our services to women-led businesses, providing financial education, and training to women, and implementing gender-inclusive policies.



Clean water and sanitation: Provide water and sanitation loans.



Decent work and economic growth: Support small businesses and entrepreneurship, contributing to economic growth and job creation along with improving social protection.



Industry, innovation, and infrastructure: Access to microfinance facilitates the growth of small businesses and entrepreneurial activities, contributing to innovation and economic development



Reduced inequality: Help reduce economic disparities by providing financial services to marginalized and low-income populations



Sustainable cities and communities: Contribute to sustainable community development by providing financial access, affordable basic infrastructure through the JLG model



Partnerships for the goals: Collaborate with funders, governments, global NGOs and other stakeholders to enhance the effectiveness of efforts to achieve various SDGs.

BOARD OF DIRECTORS



Mr. Thomas Muthoot

Managing Director



Mr. Thomas John Muthoot

Non-Executive Director



Mr. Thomas George Muthoot

Non-Executive Director



Mr. Akshaya Prasad

Non-Executive Director



Mr. John Tyler Day

Non-Executive Director



Mr. Alok Prasad

Independent Director



Mrs. Pushpy B Muricken

Independent Director



Mrs. Bhama Krishnamurthy

Independent Director



Mr. T. S. Vijayan

Independent Director



Mr. R Anand

Independent Director

Key Managerial Personnel & Senior Management



Mr. Sadaf Sayeed

Chief Executive Officer



Mr. Praveen T

Chief Financial Officer



Ms. Neethu Ajay

Chief Compliance Officer
and Company Secretary



Mr. Udeesh Ullas

Chief Operating Officer



Mr. Subhransu Pattnayak

Chief Human Resource Officer



Mr. Jinsu Joseph

Chief Risk Officer



Mr. Linson C Paul

Chief Technology Officer



Mr. Dileep Kumar Pathak

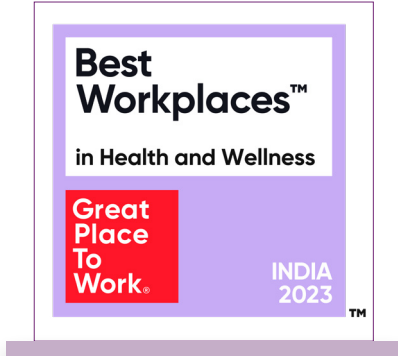
Chief Internal Auditor



Mr. Deepu S

Chief Information Security Officer

Accolades



Best Workplaces in Health & Wellness 2023



Gold Level Certification for Client Protection by M-CRIL 2023



The Economic Times DataCon Awards 2023



Runner-Up - Outstanding Financial Performance ASSOCHAM 18th Annual Summit & Awards



'Microfinance Company of the Year' at ET Business Awards 2024



Best Workplaces in BFSI



Great Place to Work 2024-2025



ELETS 2nd NBFC100 Leader of Excellence Award in Jury's Choice for Outstanding Technology Implementation

Corporate Information

Board of Directors

Mr. Thomas Muthoot
Managing Director

Mr. Thomas John Muthoot
Non-Executive Director

Mr. Thomas George Muthoot
Non-Executive Director

Mr. Akshaya Prasad
Non-Executive Director

Mr. John Tyler Day
Non-Executive Director

Mr. Alok Prasad
Independent Director

Mrs. Pushpy B Muricken
Independent Director

Mrs. Bhama Krishnamurthy
Independent Director

Mr. T S Vijayan
Independent Director

Mr. R Anand
Independent Director

Key Managerial Personnel

Mr. Sadaf Sayeed
Chief Executive Officer

Mr. Praveen T
Chief Financial Officer

Ms. Neethu Ajay
Chief Compliance Officer and Company Secretary

Senior Managerial

Mr. Udeesh Ullas
Chief Operating Officer

Mr. Subhransu Pattnayak
Chief Human Resource Officer

Mr. Jinsu Joseph
Chief Risk Officer

Mr. Linson C Paul
Chief Technology Officer

Mr. Dileep Kumar Pathak
Chief Internal Auditor

Mr. Deepu S
Chief Information Security Officer

Statutory Auditors

M/s. Sharp & Tannan
802 Lloyds Chambers, Dr. Ambedkar
Road, Opp. Ambedkar Bhavan,
Pune 411 011

Secretarial Auditor

SEP&Associates
Company Secretaries, First Floor,
Building No. C.C 56/172
K.C. Abraham Master Road,
Panampilly Nagar, Kochi, Ernakulam,
Kerala -682036

Internal Auditors

KPMG., 30/1366D1, 3rd Floor, Syama
Business Center, NH Bypass Road,
Vytila, Kochi 682019

Debenture Trustees

Catalyst Trusteeship Limited
GDA House, Plot No. 85, Bhusari
Colony (Right), Paud Road, Kothrud,
Pune – 411 038
+91 20 66807200 / 223 / 224
dt@ctltrustee.com.

Vardhman Trusteeship Pvt Ltd.
The Capital, A Wing, 412A, Bandra
Kurla Complex, Bandra (East)
Mumbai 400 051.

Registrar & Transfer Agent

KFin Technologies Limited
Selenium Building, Tower-B,
Plot No 31 & 32,
Financial District, Nanakramguda,
Serilingampally, Hyderabad,
Telangana, India - 500 032.

Registered Office

13th Floor, Parinee Crescenzo,
Bandra Kurla Complex, Bandra East
Mumbai – 400051
Ph: +91 22-62728544
Email: info@muthootmicrofin.com
Website: www.muthootmicrofin.com

Administrative Office

5th Floor, Muthoot Towers, M.G
Road, Kochi 682035
Ph: +91 484 4277500
Email: info@muthootmicrofin.com
Website: www.muthootmicrofin.com

Our Financiers

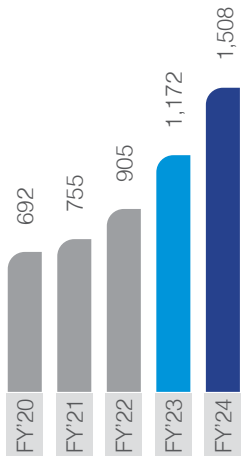
- Aditya Birla Finance Limited
- AXIS Bank Ltd
- Bandhan Bank
- Bank of Baroda
- Bank of Bahrain and Kuwait
- Bank of Maharashtra
- Blue Orchard
- Canara Bank
- Capri Global Capital Limited
- Catholic Syrian Bank
- Credit Saissosn
- DCB Bank Limited
- DBS Bank
- Dhanlaxmi Bank Ltd
- Federal bank Ltd
- HDFC Bank Ltd
- Hero Fincorp
- Hinduja Leyland Finance
- HSBC
- ICICI Bank
- ICBC Bank
- IDBI
- IDFC Bank
- Indian bank
- Indian Overseas Bank
- J M Finance Ltd
- Jana SFB
- Karnataka Bank
- Karur Vysya Bank
- Kookmin Bank
- Kotak Mahindra Bank
- L & T Finance
- Lakshmi Vilas Bank
- Mahindra Finance
- Manaveeya Development and Finance Private Limited
- MAS Financial Services
- Northern Arc Capital Limited
- MUDRA
- NABARD
- Nabkissan
- Nabfins
- Nabsamrudhhi
- Piramel Capital and Housing Finance
- Punjab National Bank
- Punjab and Sindh Bank
- ResponsAbility
- State Bank of India
- Standard Chartered Bank
- Sundaram Finance
- Suryoday SFB
- South Indian Bank
- SIDBI
- Tata Capital
- UCO Bank
- Union Bank of India
- Ujjivan SFB
- Utkarsh SFB
- Water Equity
- Woori Bank

GROWTH IN A GLANCE

Operations Data

Branches

(Nos.)



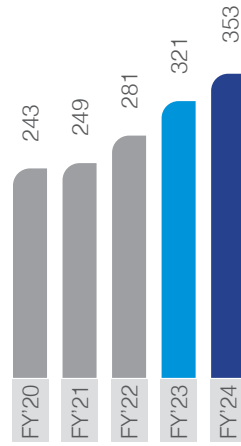
State

(Nos.)



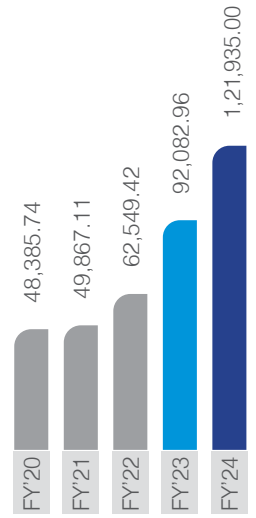
District

(Nos.)



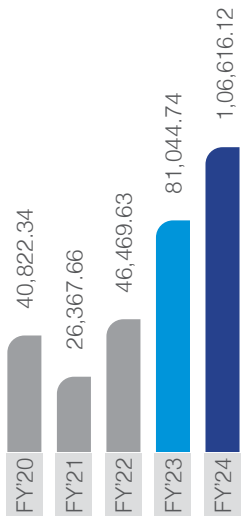
AUM

(in Million)



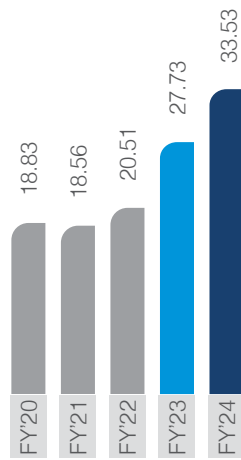
Disbursements

(in Million)



Active Borrowers

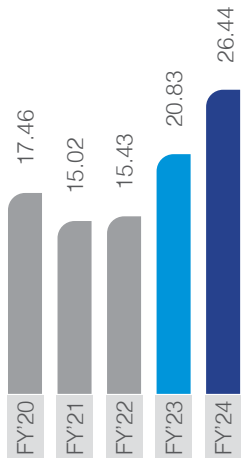
(in Lakhs)



Zone wise exposure

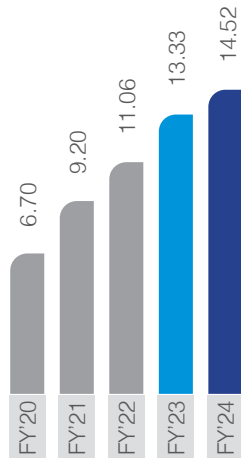
North

(%)



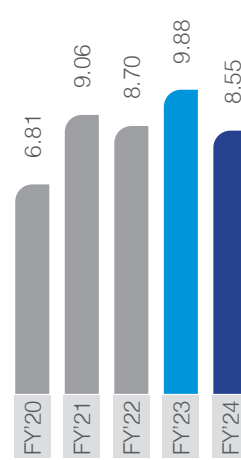
East

(%)



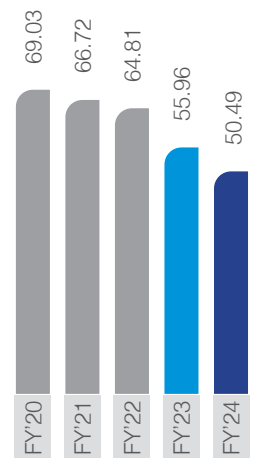
West

(%)

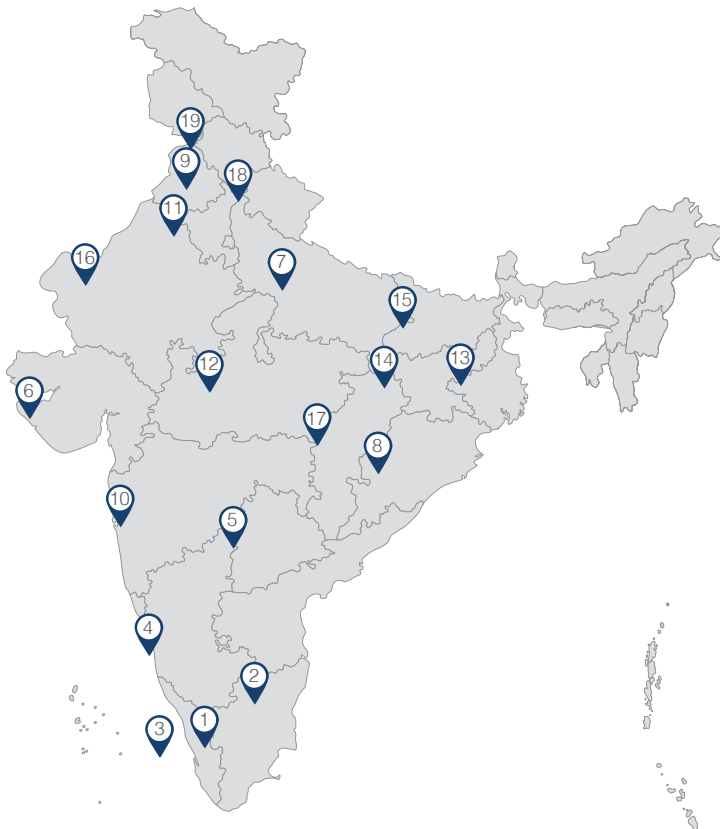


South

(%)



Our Presence



S.no.	State
1	Tamil Nadu
2	Puducherry
3	Kerala
4	Karnataka
5	Telangana
6	Gujarat
7	Uttar Pradesh
8	Odisha
9	Punjab
10	Maharashtra

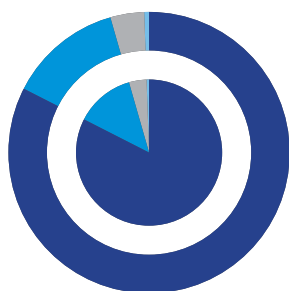
S.no.	State
11	Haryana
12	Madhya Pradesh
13	West Bengal
14	Jharkhand
15	Bihar
16	Rajasthan
17	Chhattisgarh
18	Uttarakhand
19	Himachal Pradesh

GROWTH IN A GLANCE (CONTD.)

Exposure of District

2024

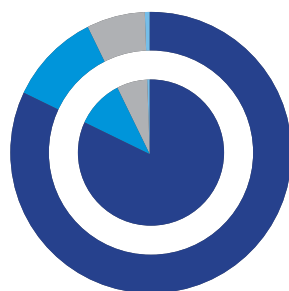
(%)



● <0.5%	82.72%
● 0.5% - 1.0%	13.03%
● 1.0% - 3.0%	3.97%
● 3.0% - 5.0%	0.28%
● >5.0%	0.00%

2023

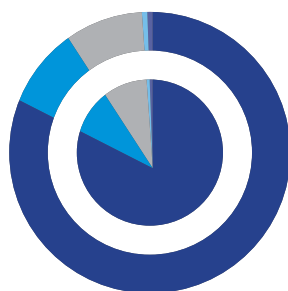
(%)



● <0.5%	82.24%
● 0.5% - 1.0%	10.59%
● 1.0% - 3.0%	6.85%
● 3.0% - 5.0%	0.31%
● >5.0%	0.00%

2022

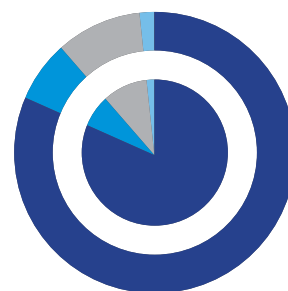
(%)



● <0.5%	82.56%
● 0.5% - 1.0%	8.54%
● 1.0% - 3.0%	7.83%
● 3.0% - 5.0%	0.71%
● >5.0%	0.36%

2021

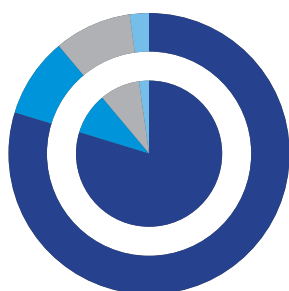
(%)



● <0.5%	81.93%
● 0.5% - 1.0%	6.83%
● 1.0% - 3.0%	9.64%
● 3.0% - 5.0%	1.61%
● >5.0%	0.00%

2020

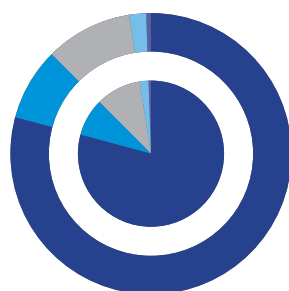
(%)



● <0.5%	79.84
● 0.5% - 1.0%	9.05
● 1.0% - 3.0%	9.05
● 3.0% - 5.0%	2.06
● >5.0%	-

2019

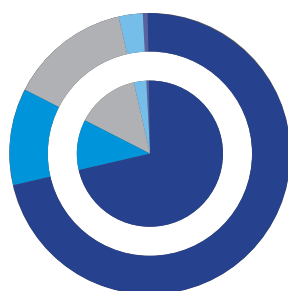
(%)



● <0.5%	79.26
● 0.5% - 1.0%	8.29
● 1.0% - 3.0%	10.14
● 3.0% - 5.0%	1.84
● >5.0%	0.46

2018

(%)



● <0.5%	71.43
● 0.5% - 1.0%	11.31
● 1.0% - 3.0%	13.69
● 3.0% - 5.0%	2.98
● >5.0%	0.60

2017

(%)

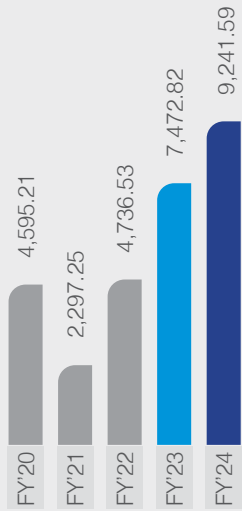


● <0.5%	70.71
● 0.5% - 1.0%	7.86
● 1.0% - 3.0%	14.29
● 3.0% - 5.0%	3.57
● >5.0%	3.57

Funding Profile

Funds Raised

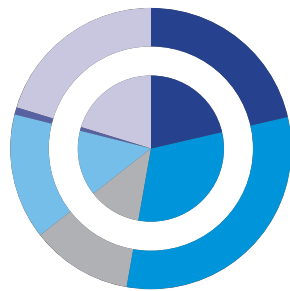
(in Crs.)



Institution Mix

2024

(%)



Public Sector Banks	21.59
Private Sector Banks	31.44
Foreign Banks	11.47
NBFC	14.42
SFB	0.89
DFI's	20.19

2023

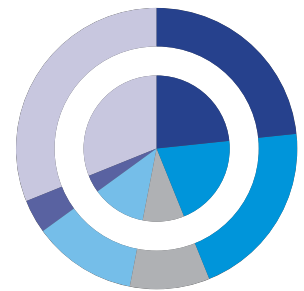
(%)



Public Sector Banks	22.61
Private Sector Banks	30.60
Foreign Banks	14.48
NBFC	3.82
SFB	7.08
DFI's	21.40

2022

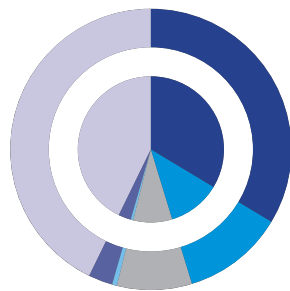
(%)



Public Sector Banks	23.36
Private Sector Banks	20.62
Foreign Banks	9.18
NBFC	11.86
SFB	4.01
DFI's	30.96

2021

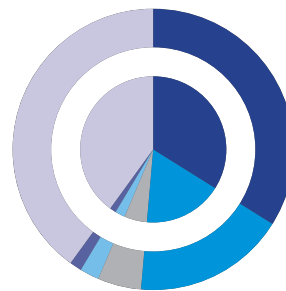
(%)



Public Sector Banks	33.66
Private Sector Banks	11.89
Foreign Banks	8.47
NBFC	0.55
SFB	2.72
DFI's	42.72

2020

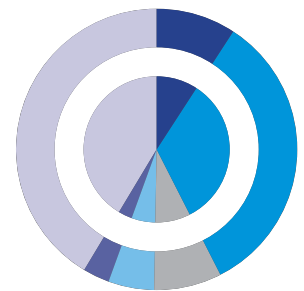
(%)



Public Sector Banks	33.97
Private Sector Banks	17.63
Foreign Banks	4.80
NBFC	2.43
SFB	1.42
DFI's	39.74

2019

(%)



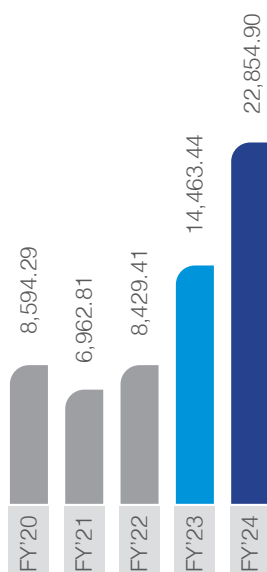
Public Sector Banks	9.31
Private Sector Banks	33.44
Foreign Banks	7.69
NBFC	5.33
SFB	2.96
DFI's	41.27

GROWTH IN A GLANCE (CONTD.)

Financial Highlights

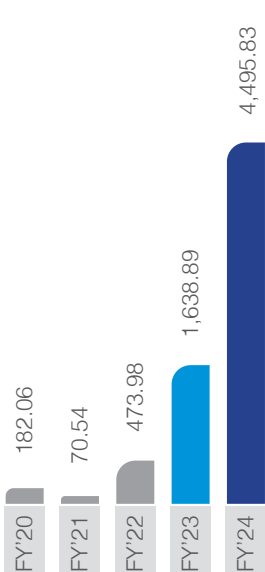
Revenue

(in Million)



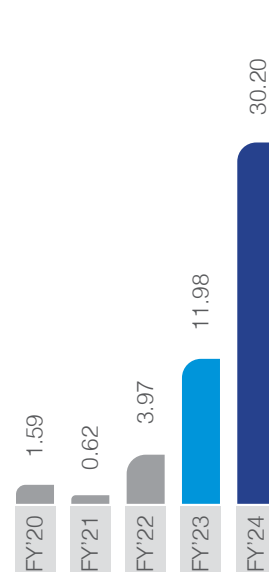
PAT

(in Million)



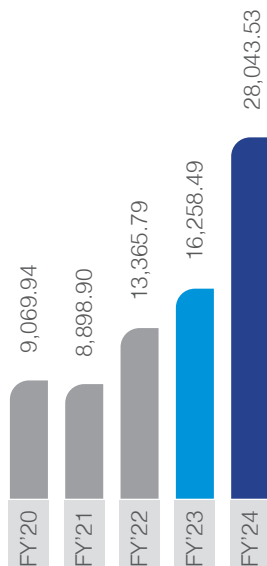
EPS

(Diluted)



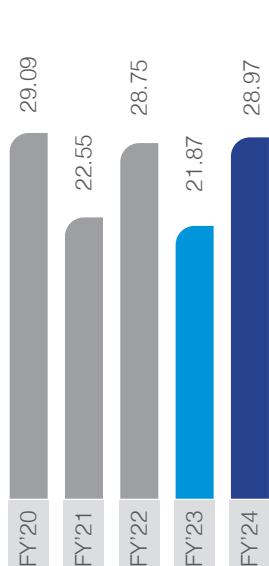
Net Worth

(in Million)



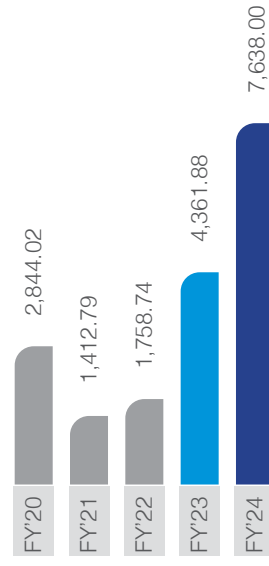
CAR

(%)



PPOP

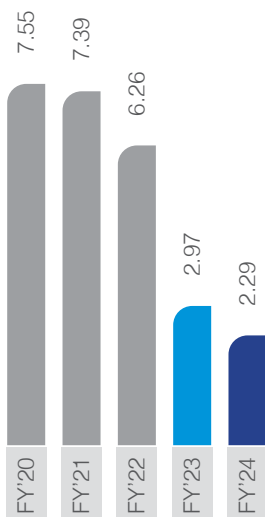
(in Million)



Financial Highlights

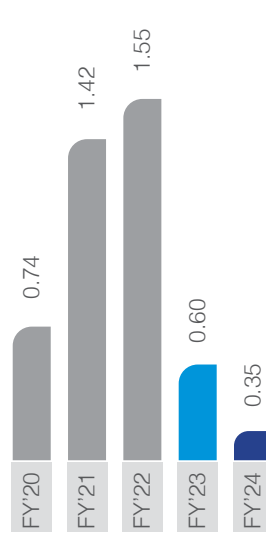
GNPA

(%)



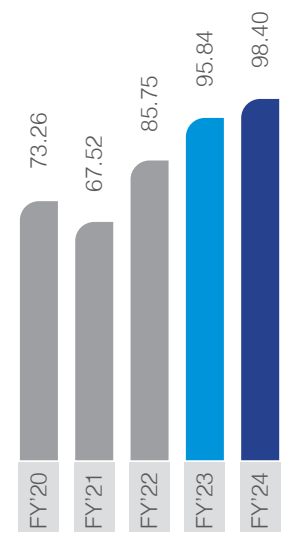
NNPA

(%)



Collection efficiency

(%)



DIRECTORS' REPORT

To the Members of Muthoot Microfin Limited,

Your directors are pleased to present the 32nd Board's Report of Muthoot Microfin Limited ("The Company") together with the Audited Financial Statements for the financial year ended March 31, 2024.

1. Financial Highlights

The financial statements of the Company for the year ended March 31, 2024 have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Schedule III to the Act, as amended from time to time and applicable guidelines issued by SEBI.

Particulars	Amount in Millions	
	31.03.2024	31.03.2023
Revenue from operations	22,701.80	14,287.64
Other Income	153.10	175.8
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	15,004.41	7,884.86
Less: Depreciation/ Amortisation/ Impairment	354.37	266.06
Profit /loss before Finance Costs, Exceptional items and Tax Expenses	14,650.04	7,618.80
Less: Finance Costs	8,831.62	5,490.10
Profit /loss before Exceptional items and Tax Expenses	5,818.42	2,128.70
Add/(less): Exceptional items	-	-
Profit /loss before Tax Expenses	5,818.42	2,128.70
Less: Tax Expenses (Current & Deferred)	1,322.59	489.81
Profit /loss for the year (1)	4,495.83	1,638.89
Total Comprehensive Income/loss (2)	136.77	394.17
Total comprehensive income/(loss) for the year (1+2)	4,632.60	2,033.06
Add: Balance of profit /loss for earlier years	4,262.23	2,787.60
Add: Consolidation of ESOP Trust	102.24	-230.65
Less: Transfer to Debenture Redemption Reserve	-	-
Less: Transfer to Reserves	899.17	327.78
Less: Dividend paid on Equity Shares	-	-
Less: Dividend paid on Preference Shares	-	-
Less: Dividend Distribution Tax	-	-
Balance carried forward	8,097.90	4,262.23

2. State of affairs of the Company

As of March 31, 2024, the Company had 3.35 million active customers spread across 1,508 branches, with a gross loan portfolio of ₹ 121,935.00 million as compared to ₹ 92,082.96 million in Financial Year as of March 31, 2023.

The net worth of the Company as on March 31, 2024 was ₹ 28,043.53 million and capital adequacy as on March 31, 2024 was 28.97%, well in excess of the mandated 15%.

During the year, the Company's revenue from operations and other income was ₹ 22,854.90 million with a net profit with other comprehensive income of ₹ 4,632.60 million. The funding source for the Company was through private placement of Non-Convertible Debentures ("NCDs") and borrowings from banks/ financial institutions by way of Term Loans, PTCs, ECBs and CPs as summarized below.

Financial Year	₹ in Million	
	2023-24	2022-23
Privately placed Non-Convertible Debenture	9,657.00	13,336.00
Term Loan	55,133.14	41,143.47
Commercial Paper	-	484.84
Pass-Through Certificate	14,246.42	8,256.39
External Commercial Borrowings	4,960.17	2,054.80
Others	0.00	0.00
Total	83,996.73	65,275.50

Your Company's Operational Highlights for the financial year ended March 31, 2024 are as follows:

(₹ in Million)

Financial Year	March 31, 2024	March 31, 2023
Number of Branches	1,508	1,172
Amount disbursed	106,615.92	81,044.74
Number of active loans	41,00,011	33,36,821
Total Assets under management including securitized and assigned portfolio (Gross Loan Portfolio)	121,935.00	92,082.96
BC Portfolio (Managed for Yes Bank)	9.8	9.9
BC Portfolio (Managed for SIDBI)	836.97	910.4
MSGB (Managed for MFL)	117.22	117.8

3. Share Capital

Authorised Share Capital:

During the year under review, the authorized share capital of the Company was increased from ₹ 2,00,00,00,000 (Rupees Two Hundred Crores) divided into 15,00,00,000 (Fifteen Crore) equity shares of 10/- each aggregating to 150,00,00,000/- (Rupees One Hundred and Fifty Crores) and 5,00,00,000 (five crore) preference shares of ₹ 10/- each aggregating to 50,00,00,000 (Rupees Fifty Crores) to 250,00,00,000 (Rupees Two Hundred and Fifty crores only) divided into 20,00,00,000 (Twenty Crore) equity shares of 10/- each aggregating to 200,00,00,000 (Rupees Two Hundred Crore only) and 5,00,00,000 (Five Crore) preference shares of 10/- each aggregating to 50,00,00,000/- (Rupees fifty Crore only).

Issued, Subscribed and Paid-up Share Capital:

The shareholders of the Company at their Extra Ordinary General Meeting held on November 25, 2023, approved the conversion of 23,360,260 fully paid-up Compulsorily Convertible Preference Shares (CCPS) of the Company into 27,520,722 fully paid-up Equity Shares.

The conversion was made in accordance with the terms of issue of the CCPS, the Share Subscription Agreement and the Shareholders' Resolutions dated December 03, 2021, January 10, 2022 and September 29, 2022 at a conversion ratio of 1:1.1781.

During the financial year, the Company has done the Initial Public Offering (IPO) of its equity shares comprising of fresh issue of 2,61,34,205 shares and an offer for sale, by the promoters, of 6,872,849 shares to the public, at an offer price of 291.00 per equity share, pursuant to the prospectus dated December 21, 2023.

As on March 31, 2024, the issued, subscribed and paid-up Share Capital of the Company is ₹ 1704.92 Million comprising of fully paid-up equity shares of face value of ₹ 10/- each.

Type of share capital	Number of shares	Face value (₹)	Aggregate value (₹)
Equity shares	17,04,92,176	10	1,70,49,21,760.00

There was no reclassification or sub-division of the authorised share capital, reduction of share capital, buy-back of shares, change in the capital structure resulting from restructuring, or change in voting rights in respect of any class of the share capital of the company during the financial year.

As on March 31, 2024, none of the Directors of the Company holds instruments which are convertible into Equity Shares of the Company.

4. Listing of Shares

The equity shares of the Company were listed on National Stock Exchange of India Ltd. (NSE) and BSE Ltd. (BSE). The listing fee for the Financial years 2023-24 and 2024-25 are paid to both the Stock Exchanges.

5. Dividend

The Board of Directors of your Company has not recommended any dividend for the financial year under review.

Pursuant to Regulation 43A of the Listing Regulations, the Company has formulated a Dividend Distribution Policy, setting out the parameters for the declaration and distribution of dividend. The Policy is available on the website of the Company at: <https://muthootmicrofin.com/disclosures/>

6. Transfer to Investor Education and Protection Fund

During the period, the Company does not have any amount due to be credited to the Investor Education and Protection Fund as provided in the provisions of Section 125 of the Companies Act, 2013.

7. Amount transferred to Reserves

The Company proposes to transfer 899.17 million to the reserve out of the amount available for appropriation and ₹ 3,835.68 million is proposed to be retained in the profit and loss account.

8. Employee Stock Option Plan (ESOP)

Stock Options are granted to the eligible employees and KMPs of the Company pursuant to the Muthoot Microfin Employee Stock Option Plan 2016 ("ESOP 2016") and Muthoot Microfin Limited Employee Stock Option Plan 2022 ("ESOP 2022"), as decided by the Nomination & Remuneration Committee.

During the year under review, the Nomination and Remuneration Committee has granted 3,08,147 options under both the plans and these options will vest over a period of four years from the date of grant. Further, 71,625 options were cancelled during the year due to separation of employees. The canceled options were added to the respective plans and form part of the further grants made during the period.

The disclosure pursuant to the provisions of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and Section 62(1)(b) of the Act, read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 is provided in **Annexure- I** which forms part of this Report.

9. Debentures, bonds or any non-convertible securities

Non-convertible Debentures: During the period under review, your Company has issued debentures (Listed, Secured, Non-convertible Debentures) aggregating to 9,657.00 million. The debentures outstanding as on March 31, 2024 are as follows:

		Amount in ₹				
Series		MML-6	MML-9	MML-15	MML-16	MML-17
a.	Date of issue of the securities	09-11-2019	08-10-2020	25-05-2022	01-06-2022	09-06-2022
b.	Date of allotment of Securities	27-11-2019	25-11-2020	27-05-2022	03-06-2022	15-06-2022
c.	Number of securities	700	225	380	1120	932
d.	Whether the issue of the securities was by way of preferential allotment, private placement or public issue	Private Placement	Private Placement	Private Placement	Private Placement	Private Placement
e.	Brief details of the debt restructuring pursuant to which the securities are issued	NA	NA	NA	NA	NA
f.	Issue price	10,00,000	10,00,000	10,00,000	10,00,000	10,00,000
g.	Coupon rate	11.44%	11.40%	11.45%	11.55%	9.90%
h.	Maturity date	27-11-2024	25-05-2024	27-05-2027	03-06-2027	15-12-2025
i.	Amount raised (In ₹ million)	700	225	380	1120	932
j.	Amount Outstanding (In ₹ million)	700	450	380	1120	932

MML-19 (MLD-7)	MML-21 (MLD-9)	MML-22	MML-23	MML-24	MML-25	MML-26
29-07-2022	22-12-2022	25-01-2023	02-02-2023	02-06-2023	06-07-2023	31-07-2023
29-07-2022	22-12-2022	27-01-2023	09-02-2023	05-06-2023	07-07-2023	01-08-2023
700	1,000	8,000	8,000	15,000	7500	7500
Private Placement	Private Placement	Private Placement	Private Placement	Private Placement	Private Placement	Private Placement
NA	NA	NA	NA	NA	NA	NA
10,00,000	10,00,000	1,00,000	1,00,000	1,00,000	1,00,000	1,00,000
10.60%	10.00%	11.00%	11.00%	11%	10.75%	10.75%
29-04-2024	27-01-2024	27-01-2026	27-01-2026	05-06-2026	07-07-2026	01-08-2026
700	1000	1000	1000	1500	750	750
700	1000	800	800	1500	750	750

10. Capital Adequacy

The Capital Adequacy Ratio was 28.97% as on March 31, 2024. The Net Owned Funds (NOF) as on that date was ₹ 24,842.52 million. The minimum capital adequacy requirement stipulated for your Company by Reserve Bank of India is 15%.

11. Annual Return

Pursuant to Section 134 and Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the

Companies (Management and Administration) Rules, 2014, a copy of the Annual Return is placed on the website of the Company.

The web-link is:

<https://muthootmicrofin.com/stakeholders-information/?tab=5>.

12. Achievements

During the Financial Year, your company has won several awards and accolades. Selected few awards/ recognitions are listed hereunder:

- Muthoot Microfin Limited has been recognized among **India's top 50 Best Workplaces™ in Health and Wellness 2023** by Great Place To Work Institute.
- Muthoot Microfin Limited has been awarded **'Microfinance Company of the Year'** at the ET Business Awards 2024, held at Bangalore on the 18 March 2024.
- Muthoot Microfin Limited retained the **Great Place To Work®** certification for the 5th time for its commitment to foster a culture of pride, trust, reliability, teamwork, and credibility amongst its employees.
- Muthoot Microfin Limited has been awarded the **Gold Level Certification for Client Protection** by M-CRIL.
- Muthoot Microfin Limited has been conferred the **Runner-Up Award for Outstanding Financial Performance** at the ASSOCHAM 18th Annual Summit & Awards.
- Muthoot Microfin Limited has been awarded the **Best Learning Strategy – Gold award** from Indian Business Council and The Human Resource Ideas & Voices Event (THRIVE) 2023.
- Mr. Sadaf Sayeed, CEO – Muthoot Microfin has been recognized among India's Top 10 CEOs by Tradeflock.
- Muthoot Microfin Limited has been honoured as a winner in the prestigious **'Modern and Agile Data Architecture and Infrastructure'** category at The Economic Times DataCon Awards 2023.
- Muthoot Microfin Limited honoured with **ELETS 2nd NBFC100 Leader of Excellence Award** in Jury's Choice for Outstanding Technology Implementation.
- Muthoot Microfin Limited has been awarded the **'Best Workplaces in BFSI'** title for the 2nd time.

13. Particulars of Loans, Guarantees or Investments

The Company, being an NBFC registered with RBI and engaged in the business of giving loans in the ordinary course of its business, is exempt from complying with

the provisions of section 186 (2) of the Companies Act, 2013 with respect to loans, guarantees and investments. Accordingly, the Company is exempt from complying with the requirements to disclose in the financial statement the full particulars of the loans given, investment made or guarantee given or security provided.

The Company has duly complied with the provisions of Section 186 of the Companies Act, 2013 and Rules made thereunder. The details of Loans, Guarantees or Investments made by the Company is given below:

(₹)		
Name of Companies	Nature of Transactions	Investments
The Thinking Machine Media Private Limited	Equity investment	4,50,000/-

Details on the loans given and investments made under the provisions of this section are disclosed in the financial statements. The Company has not given any guarantees or security on behalf of a third party.

14. Change in Nature of Business If any

There was no change in the nature of business of the Company during the financial year 2023-24.

15. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

There have been no material changes or commitments which affect the financial position of the company which has occurred between the end of the financial year to which the financial statements relate and the date of this Report.

16. Revision of financial statement or the Report

The Company has not revised its Financial Statement or Board's Report during the financial year.

17. Credit Rating

The credit rating awarded to various instruments of the Company as on March 31, 2024 are as follows:

Credit Rating Agency	Instrument	March 31, 2024	March 31, 2023
CRISIL	Organization grading	M1C1	M1C1
	Bank Lines	A+ / Stable	A+ / Stable
	Non-convertible debentures	A+ /Stable	A+ /Stable
	Commercial paper	A1+	A1+
	Principal Protected Market Linked Debenture	PPMLD A+ / Stable	PPMLD A+ / Stable

The Credit Rating of different instruments of the Company as on March 31, 2024 is mentioned under note 50 (XVI) of the Financial Statements under RBI disclosures.

18. Directors and Key Managerial Personnel

I. Composition of the Board of Directors

As on March 31, 2024, the Board of your Company comprised of Ten Directors with one Executive Director, four Non-Executive Directors and Five Independent Directors. The composition of the Board of Directors meets the requirement of provisions of Regulation 17 of the Listing Regulations and Section 149 of the Act.

Details of the Directors are as follows:

Category	Name of Director
Executive Director	Mr. Thomas Muthoot (Managing Director)
Non-Executive Independent Directors	Mr. Alok Prasad Ms. Pushpy B Muricken Mr. Thai Salas Vijayan Ms. Bhama Krishnamurthy Mr. Anand Raghavan
Non-Executive Directors	Mr. Thomas John Muthoot Mr. Thomas George Muthoot Mr. John Tyler Day Mr. Akshaya Prasad

A. Change in Composition of the Board of Directors

During the year under review, there was no changes on the Board of Directors ('Board') except as mentioned below;

i. Directors retiring by rotation

At the 31st Annual General Meeting held on June 14, 2023, Mr. Thomas John Muthoot, Director (DIN 00011618) retired by rotation in compliance with the provisions of Section 152 of the Companies Act, 2013 and was reappointed.

Mr. Thomas George Muthoot, Director (DIN: 00011552) is due to retire by rotation at the ensuing Annual General Meeting, and being eligible, offers himself for re-appointment.

ii. Re-appointment of Independent Directors

The Members of the Company at their 31st Annual General Meeting held on June 14, 2023, re-appointed Mrs. Pushpy B Muricken (DIN: 03431198), Mr. T S Vijayan (DIN: 00043959) and Mrs. Bhama Krishnamurthy (DIN: 02196839) as Non-Executive Independent Directors of the Company who are not liable to retire by rotation for their second term of five years.

iii. Approval of the Members will be sought at the forthcoming Annual General Meeting to the following appointments.

Mr. Akshaya Prasad (DIN: 02028253) and Mr. John Tyler Day (07298703), Non-Executive Non-Independent Directors, were appointed by the members at their Extra Ordinary General meetings held on December 6, 2021 and December 20, 2022 respectively. Pursuant to the provisions of Regulation 17 (1D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the resolutions passed by the Board of Directors dated June 26, 2023, their terms of office were changed and their office shall be liable for retirement by rotation.

In compliance with the above-said provisions and as a good governance practice, the Board of Directors proposes the ratification of the appointment of Mr. Akshaya Prasad and Mr. John Tyler Day, Non-Executive Non-Independent Directors, at the ensuing Annual General Meeting.

iv. Cessations

During the year under review, there were no cessation, retirement or resignation of Directors from the Board

B. Change in the composition of the Board of Directors after the end of the financial year and up to the date of this Report

There were no changes in the composition of the Board of Directors after the end of the financial year and up to the date of this Report.

II. Key Managerial Persons

The Key Managerial Persons of the Company in accordance with Regulation 2(1)(bb) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations and Section 2(51) of the Companies Act, 2013 are as follows:

Name	Designation
Mr. Thomas Muthoot	Managing Director
Mr. Sadaf Sayeed	Chief Executive Officer
Mr. Praveen T	Chief Financial Officer
Ms. Neethu Ajay	Chief Compliance Officer and Company Secretary

III. Woman Director

In terms of the provisions of Section 149 of the Act and Regulation 17(1)(a) of Listing Regulations, the Company is required to have at least one-woman director on the Board.

The Company has Ms. Bhama Krishnamurthy (DIN: 02196839) and Ms. Pushpy B Muricken (DIN: 03431198) as Independent Woman Directors on the Board.

IV. Declaration by Independent Directors and statement on compliance with the code of conduct

The Company has received necessary declarations with respect to independence from all the independent directors in compliance of Section 149 (7) of the Companies Act, 2013.

The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Companies Act, 2013 and the Code of Conduct for Directors and senior management personnel formulated by the Company.

V. Nomination & Remuneration Policy

The Nomination and Remuneration Committee has formulated the Nomination and Remuneration Policy which sets out the criteria for determining qualifications, positive attributes and independence of Directors. It also lays down criteria for determining qualifications, positive attributes of KMPs and senior management and other matters provided under Section 178(3) of the Act and Listing Regulations. The Nomination and Remuneration Policy of the Company as approved and adopted by the Board is available on the website of the Company at: <https://muthootmicrofin.com/disclosures/>

The policy is in compliance with the provisions of Section 178 of the Companies Act, 2013, SEBI (LODR) regulations and guidelines of the Reserve Bank of India on Corporate Governance Norms for NBFCs. The policy covers the following:

1. Objectives, composition and responsibilities of the Nomination and Remuneration Committee
2. Guidelines for NRC on appointment and removal of directors/KMP and senior management
3. Fit and proper criteria to determine the suitability of the person for appointment / continuing to hold appointment as a Director on the Board of the Company.
4. Criteria for independence - for directors to be appointed as independent directors on board of the company.
5. Criteria to be considered while appointing KMP, senior management personnel
6. Removal of a director, KMP or senior management
7. Remuneration of directors, key managerial personnel and senior management

8. Evaluation of performance of the Directors and the overall Board broadly on the basis of the laid-out criteria.
9. Criteria for review of the policy due to change in regulations or as may be felt appropriate by the Committee subject to the approval of the Board of Directors.

19. Board Meeting

During the Financial Year 2023-24, our Board has met eleven (11) times and the meetings were held on May 6, 2023, June 26, 2023, June 29, 2023, August 10, 2023, October 26, 2023, November 25, 2023 (Two Meetings), December 11, 2023, December 21, 2023, January 29, 2024 and March 25, 2024.

The requisite quorum was present for all the Meetings. The intervening gap between the Meetings was within the period prescribed under the Act and Listing Regulations.

The Company provides all the Board Members with the facility to participate in the meetings of Board and its committee through Video Conferencing or Other Audio-Visual Means. The details of the meetings have been enclosed in the Corporate Governance Report, which forms part of this report.

Pursuant to the requirements of Schedule IV to the Act and the Listing Regulations, a separate Meeting of the Independent Directors of the Company was held on March 26, 2024, and the Directors reviewed the matters enumerated under Schedule IV(VII)(3) to the Act and Regulation 25(4) of the Listing Regulations. All the Independent Directors attended the said meeting.

20. Committees of Board

The Company has various Committees which have been constituted as part of good corporate governance practices and the same follow the requirements of the relevant provisions of applicable laws and statutes.

The Committees of the Board are the Audit committee, the Nomination and Remuneration committee, the Borrowing committee, the Corporate Social Responsibility committee, the Stakeholder's Relationship committee, the IT strategy committee, the Asset Liability Management committee, Debenture Issue and Allotment Committee and the Risk management committee.

The details with respect to the composition, powers, roles, terms of reference, Meetings held, and attendance of the Directors at such Meetings of the relevant Committees are given in detail in the Report on Corporate Governance of the Company which forms part of this Annual Report.

21. Recommendations of the Audit Committee

There was no instance during the year where the Board has not accepted the recommendations of the Audit Committee requiring disclosure pursuant to Section 177(8) of the Companies Act, 2013.

22. Company's policy on Directors' appointment and remuneration

The Company, pursuant to the provisions of Section 178 of the Companies Act, 2013, has formulated and adopted a policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178 which is available on the website of the Company at : <https://muthootmicrofin.com/disclosures/>

23. Annual Evaluation of Board, Committees, and Individual Directors

The meeting of the Board of Directors held on March 25, 2024, has conducted an evaluation of its own performance and that of its committees and individual directors.

The evaluation process is carried out by collecting feedback from each of the Directors /committee members about the Board/committee's performance and feedback about each of the other directors.

The feedback is collected through structured questionnaires. The Board then evaluated all the feedback received and expressed their satisfaction.

Aspects covered in the feedback inter alia are:

- a. Composition of Board/committees.
- b. Appropriateness of its size, experience and expertise.
- c. Effective participation, integrity and credibility.
- d. Ability to handle conflict collectively, Interpersonal skills, and willingness to address issues proactively.
- e. Performance against set goals.
- f. Adequacy of terms of reference to serve the purpose.

The Board of Directors has conducted these evaluations through electronic mode by distributing electronic evaluation forms to the Directors.

24. Compliance

The Company is registered with the Reserve Bank of India ("the RBI") as a NBFC-MFI. As per the Framework for Scale Based Regulation for Non-Banking Financial Companies issued by the RBI vide circular dated October 22, 2021 ('SBR Framework'), the Non-Banking Finance Companies are categorised into four layers, NBFC - Base Layer (NBFC-BL), NBFC - Middle Layer (NBFC-ML), NBFC - Upper Layer (NBFC-UL) and NBFC - Top Layer

(NBFC-TL) based on size, activity, and risk perceived. According to the said regulation, the Company has been categorised as NBFC – ML..

The Company has listed its equity shares in the BSE Limited and the National Stock Exchange of India Limited with effect from December 26, 2023, and has various Non-Convertible Debt Instruments listed in the BSE Limited.

The Company has complied with and continues to comply with all applicable Laws, Rules, Circulars, Regulations, etc. including Directions of RBI for NBFC-MFIs and various SEBI Listing Regulations, and does not carry on any activities other than those specifically permitted by RBI for NBFC-MFIs.

25. Code of Conduct for Board and Senior Management

In compliance with Regulation 26(3) of the Listing Regulations and the Act, the Company has framed and adopted a Code of Conduct for Directors and Senior Management "the Code" which provides guidance on ethical conduct of business and compliance with laws and Regulations.

All members of the Board and Senior Management personnel have affirmed their compliance with the Code as of March 31, 2024. A declaration to this effect, signed by the Managing Director in terms of the Listing Regulations, is given in the Report of Corporate Governance forming part of this Annual Report. The Code is made available on the Company's website at <https://muthootmicrofin.com/disclosures/>

26. Code of Practices and procedures for fair disclosure of Unpublished Price Sensitive information

The Board has formulated the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (Fair Disclosure Code), for the fair disclosure of events and occurrences that could impact the price discovery in the market for the Company's securities. The Fair Disclosure Code also provides for maintaining transparency and fairness in dealings with all stakeholders and ensuring adherence to applicable laws and regulations. The same is available on the website of the Company at <https://muthootmicrofin.com/disclosures/>

27. Prevention of Insider Trading

The Board of Directors of the Company has formulated and adopted a Code of Conduct to regulate, monitor and report the trading of shares by insiders. This code lays down the guidelines and procedures to be followed and disclosures to be made by the insiders while dealing with shares of the Company and cautioning them of the consequences of non-compliance. The same is available on the website of the Company at <https://muthootmicrofin.com/disclosures/>

28. Subsidiary Company, Joint Ventures and Associate Companies

The Company does not have any subsidiary, Joint venture or Associate Company.

29. Deposit

During the financial year, your Company has not accepted any deposits from the public within the meaning of provisions of

the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 or any deposits within the meaning of Section 73 of the Companies Act 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

Therefore, the disclosures required under Rule 8(5)(v) of Companies (Accounts) Rules, 2014 and Rule 2(1)(c) of Companies (Acceptance of Deposits) Rules, 2014 are not applicable.

30. Remuneration Details of Directors, KMPs and Employees

Details of managerial remuneration pursuant to Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are mentioned below:

Sl. No.	Particulars	Details
1	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year	NA. Other than sitting fees to Independent Director, no remuneration was paid to the Directors of the Company.
2	The percentage increase in remuneration of: <ul style="list-style-type: none"> a) Managing Director b) Chief Executive Officer c) Chief Financial Officer d) Company Secretary 	NA 98.25% 42.29% 105.29%
3	Percentage increase in the median remuneration of employees in the financial year	0.00%
4	Number of permanent employees on the rolls of the Company	13,321
5	The Company has a remuneration policy, and the remuneration is as per the remuneration policy of the company	Yes
6	average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	3.13%

Note:

Post employment benefits are included in the remuneration.

Percentage increase in the remuneration of Chief Executive Officer without stock Option is 15.96%

(Information as per Rule 5 of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)**Top 10 employees in terms of remuneration drawn during the year**

Employee name	Designation	Remuneration in FY 2023-24 (in ₹ Million)	Nature of employment, whether contractual or otherwise;	Educational Qualification & Experience	Date of Joining	Age	Last employment before joining the company;	Whether relative of any Director or Manager
Sadaf Sayeed	Chief Executive Officer	73.97	Permanent	MBA	26-08-2015	44	Satin Credit Care Network Ltd	No
Udeesh Ullas	Chief Operating Officer	13.89	Permanent	MBA	26-02-2016	41	Fullerton India Credit Company Ltd.	No
Paras Kumar Wasnik	Deputy COO	9.14	Permanent	MA	24-07-2019	44	Asirvad Microfinance Ltd	No
Subhransu Pattnayak	Executive Vice President	8.96	Permanent	MBA	26-08-2015	47	ICICI Bank Limited	No
Sabat Ajit Kumar	Senior Vice President	8.22	Permanent	PGDRM	15-07-2019	46	Asirvad Microfinance Ltd	No
Dileep Kumar Pathak	Chief Internal Auditor	7.11	Permanent	MBA	26-01-2016	41	Satin Credit Care Network Ltd	No
Praveen T	Chief Financial Officer	7.04	Permanent	CA	26-01-2016	38	Ark Power Controls Pvt Ltd.	No
Linson C Paul	Chief Technology Officer	5.73	Permanent	MBA-MSC	21-07-2022	49	Joy Alukkas India Limited	No
Srinivas Vadla	Senior Vice President	5.55	Permanent	Bsc	26-10-2016	45	Share Microfin Ltd	No
Nitin Sadashiv Awati	Deputy Vice President	5.08	Permanent	MBA	24-09-2018	42	Bharat Financial Inclusion Ltd	No

Employees who are employed throughout the financial year and was in receipt of remuneration for the FY 23-24, in the aggregate, was not less than ₹ 1,02,00,000/- (One crore and two lakh rupees)

Employee name	Designation	Remuneration in FY 2023-24 (in ₹ Million)	Nature of employment, whether contractual or otherwise;	Educational Qualification & Experience	Date of Joining	Age	Last employment before joining the company;	Whether relative of any Director or Manager
Sadaf Sayeed	Chief Executive Officer	73.97	Permanent	MBA	26-08-2015	44	Satin Credit Care Network Ltd	No
Udeesh Ullas	Chief Operating Officer	13.89	Permanent	MBA	26-02-2016	41	Fullerton India Credit Company Ltd.	No

Employees who are employed for a part of the FY 23-24 and was in receipt of remuneration for any part of that year at a rate which, in the aggregate, was not less than 8,50,000/- (Eight lakh and fifty thousand rupees) per month

Employee name	Designation	Remuneration in FY 2023-24 (in ₹ Million)	Nature of employment, whether contractual or otherwise;	Educational Qualification & Experience	Date of Joining	Age	Last employment before joining the company;	Whether relative of any Director or Manager
NIL								

Note: Post employment benefits are included in the remuneration.

31. Criteria for making payments to Non-Executive Directors

Apart from the sitting fee paid to the Independent Directors, expenses incurred by the Company on behalf of the Directors for their travel and accommodation and reimbursement of expenses incurred by the Directors during and for the purpose of attending Board and Committee meetings, the Company has made no other payment to its Non-Executive Directors.

32. Directors' Responsibility Statement

In terms of Section 134 (5) of the Companies Act 2013, the Directors would like to state that:

- i) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departure;
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2024 and of the profit and loss of the Company for that period;
- iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The Directors had prepared the annual accounts on a going concern basis;
- v) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi) The Directors has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

33. Adequacy of Internal Audit and Financial Controls

The Company has adequate internal controls and processes in place with respect to its operations, which provide reasonable assurance regarding the reliability of the financial statements and financial reporting and also functioning of other operations. These controls and processes are driven through various policies and procedures.

During the year, the review of Internal Financial Controls was done, and the report was placed before the Audit Committee. As per the report the Controls are effective and

there are no major concerns. The internal financial controls are adequate and operating effectively to ensure orderly and efficient conduct of business operations.

34. Fair Practices Code

The RBI had been issuing revised Fair Practices Code guidelines from time to time and your Company has adhered to all of them without any compromise. The Fair Practices Code, Code of Conduct, and Grievance Redressal Mechanism have been displayed prominently in all the branches of the Company.

35. Statutory Auditors

The Members of the Company at the Annual General Meeting held on 24th August 2022 have appointed M/s. Sharp & Tannan Associates, Chartered Accountants, (ICAI Firm Registration Number 109983W), as Statutory Auditors of the Company in accordance with the provisions of the Companies Act, 2013 read with RBI Circular: Ref. No. DoS.CO.ARG /SEC.01/08.91.001/2021-22 dated April 27, 2021. The term of appointment was for two years till the conclusion of the ensuing (32nd) Annual General Meeting of the Company.

The auditors have submitted their Report on the accounts of the Company for the Financial Year ended March 31, 2024 to the Board of Directors. The Board has duly examined the Statutory Auditors' Report which is self-explanatory. The Report does not contain any qualifications, reservations or adverse remarks

As per the RBI guidelines on the appointment of statutory auditors as referred above, the term of the present statutory auditor is expiring at the conclusion of the ensuing annual general meeting and the Board of Directors is proposing the appointment of M/s. Suresh Surana & Associates LLP (RSM), Chartered Accountants, (Firm Registration No. 121750W/W-100010) having a valid Peer review Certificate issued by the Peer Review Board of ICAI in accordance with Section 139 of the Companies Act, 2013 read with RBI Circular No. DoS.CO.ARG/SEC.01/08.91.001/2021-22, for a term of three years.

36. Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed M/s. SEP Associates, Company Secretaries, Kochi to conduct the Secretarial Audit of the Company for the Financial Year 2023-24. The Secretarial Audit Report for the financial year ended March 31, 2023, is annexed to this report as Annexure II.

The Secretarial Audit Report for the Financial Year 2023-24 does not contain any qualification, reservation, adverse remark or disclaimer except in respect of the matter mentioned in Annexure II to this report along with the Management response provided in clause 39 herein.

37. Internal Auditor

The Company has an independent internal audit department headed by Chief Internal Auditor Mr. Dileep Kumar Pathak. The internal audit department broadly assesses and contribute the overall improvement of the organization's governance, risk management, and control processes using a systematic and disciplined approach. The internal audit team follows Risk Based Internal Audit which helps the organization to identify the risks and address them accordingly based on the risk priority and direction provided by the board of directors. The Internal audit reports are presented to the Audit Committee of the Board on a quarterly basis. Based on the reports of the internal audit team, the process owners undertake corrective action in their respective areas.

Pursuant to the provisions of Section 138 of the Act, the Board of Directors, on the recommendation of the Audit Committee appointed M/s. KPMG Assurance and Consulting Services LLP, as the Internal Auditor of the Company for financial year 2023-24 for providing co-sourced internal audit services.

38. Explanation or Comments on Qualifications, Reservations or Adverse Remarks or Disclaimers made by the Statutory Auditor / Secretarial Auditor in their Reports

The Statutory Auditors have given their report 'with an unmodified opinion', on the Financial Statements of the Company for Financial Year 2023-24,

There has been no qualification, reservation, adverse remark or disclaimer made by the Statutory Auditor in their Report for the year under review.

With respect to the remark made by the Secretarial Auditors in their Report, the Company inadvertently had a delay of one-day for the submission of the notice of record date pursuant to Regulation 60(2) of the SEBI (LODR) Regulations, 2015. The delay was occurred for one series of the listed Non-Convertible Debentures. The Company duly paid the necessary fine to the stock exchange (BSE Limited) as provided in SEBI circular no. SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/0000000103. Except for the inadvertent delay in submission of the notice of record date, the payment of interest, in relation to the said disclosure, was duly made on time.

39. Compliance with Secretarial Standards

During the Financial year, the Company has complied with the provisions of applicable Secretarial Standards viz. Secretarial Standard on meetings of The Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2).

40. Corporate Social Responsibility

In compliance with Section 135 of the Companies Act 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014, the Company has established the Corporate Social Responsibility Committee

(CSR Committee) in the year 2015 and the composition and function thereof are mentioned in the Corporate Governance Report.

The Board has adopted the CSR Policy, formulated and recommended by the CSR Committee, and the same is available on the website of the Company at: <https://muthootmicrofin.com/disclosures/>

Company's CSR initiatives are mainly implemented through the Muthoot Pappachan Foundation (MPF), a Public Charitable Trust - the CSR arm of Muthoot Pappachan Group (MPG). MPF tackles issues affecting the communities in which our businesses operate.

The CSR initiatives of MPG revolve around the theme 'HEEL', covering 'Health, Education, Environment and Livelihood'. Detailed information report on the CSR policy and the CSR initiatives undertaken during the Financial Year 2023-24 is given in the **Annexure III**- 'Annual Report on CSR activities'.

41. Business Responsibility and Sustainability Report

In accordance with Regulation 34(2)(f) of the Listing Regulations the Business Responsibility and Sustainability Report (BRSR), covering disclosures on the Company's performance on Environment, Social and Governance parameters for the reporting period, which forms part of this Annual Report as **Annexure IV**.

The BRSR provides a comprehensive account of the Company's business performance and impacts, and it is aligned with the NGRBC (National Guidelines on Responsible Business Conduct) on Social, Environmental and Economic Responsibilities of Business, issued by the Ministry of Corporate Affairs.

42. Management Discussion and Analysis Report

Pursuant to Regulation 34(2)(e) of the Listing Regulations, a detailed Management Discussion and Analysis Report for the Financial Year under review is presented in a separate section, forming part of the Annual Report.

The state of the affairs of the business along with the financial and operational developments has been discussed in detail in the Management Discussion and Analysis Report.

43. Corporate Governance

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI.

The Report on Corporate Governance as required under Regulation 34(3) read with Schedule V of the Listing Regulations forms part of this Report.

Further, as required under Regulation 17(8) of the Listing Regulations, a certificate from the Chief Executive Officer and Chief Financial Officer is annexed with the Annual Report.

A certificate from CS Lakshmi Pradeep and Associates, Practicing Company Secretary, confirming the compliance of the Company with the conditions of Corporate Governance, as stipulated under the Listing Regulations, is attached to the Report of Corporate Governance

44. Details of the auctions of Gold conducted during the financial year.

Details of auctions of Gold conducted during the financial year is as follows:

Particulars	₹ in million)	
	March 31, 2024	March 31, 2023
Number of loan accounts	1063	879
Outstanding amounts	37.69	21.37
Value fetched	40.62	22.24
Whether any sister concerns participated in the auction*	Yes	Yes

*Muthoot Exim Private Limited, a sister concern participated in the Auctions conducted.

45. Related Party Transaction

All contracts/arrangements/transactions entered by the Company during the Financial Year with related parties were in the ordinary course of business and on an arm's length basis.

During the year under review, your Company had not entered into any contract/arrangement/transaction with Related Parties which could be considered material in accordance with the Policy on Related Party Transactions. Further there were no materially significant related party transactions entered by the Company with Promoters, Directors, KMP or other persons which may have potential conflicts with the interests of the Company.

The particular of contracts or arrangements made with related parties pursuant to Section 188 of the Companies Act, 2013 in the prescribed Form AOC-2 is appended as **Annexure V** which forms part of this report. Details of Related Party Transactions as required under Indian Accounting Standard (Ind AS-24) are reported in Note no. 36 forming part of the Financial Statements.

Disclosure on Related Party Transactions, in compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable accounting standards, are made in the financial statements. Also, the Company has adopted the policy on Materiality and Dealing with Related Party Transaction which is available on the website of the Company at: <https://muthootmicrofin.com/wp-content/uploads/2023/03/Policy-on-Materiality-and-Dealing-with-Related-Party-Transactions.pdf>

Disclosure on Related Party Transactions, in compliance with the requirements of SEBI (Listing Obligations and

Disclosure Requirements) Regulations, 2015 and the applicable accounting standards, are made in the financial statements .

46. Details of Frauds reported by Auditors

Pursuant to sub-section 12 of Section 143 of the Act, the Statutory Auditors and the Secretarial Auditors of the Company have not reported any instances of material frauds committed in the Company by its officers or employees, except few instances of cheating, forgery, misappropriation and criminal breach of trust, which are duly identified by the Company and are disclosed as Note 51 (xxiii) to the Financial Statements.

47. Risk Management

As a NBFC- MFI focusing on unorganized and under serviced sector, risk management is an integral part of our business. Your Company has a Board approved comprehensive Risk Management Policy in place and has laid down a well-defined risk management framework, established system and adequate controls for identification, assessment, measurement, reporting, mitigation and/or management of risks. The processes, policies and procedures are periodically reviewed by the Risk Management Committee and the Board of Directors. Regular review, stress testing and scenario analysis of portfolios, self-assessments of controls and monitoring of key risk indicators enhances the effectiveness of risk management framework in your Company. Risk Management Committee evaluates and monitors Credit, Operational, IT, Financial, Regulatory, Market and Reputational risks and its all-associated risks.

Your Company's internal control systems, organizational structure, processes, policies, and code of conduct together form a robust mechanism of internal controls that govern efficient functioning of the business, and the existing risk management measures are being regularly upgraded to ensure risk avoidance and risk mitigation. There are no risks which in the opinion of the Board threaten the existence of your Company.

48. Technology Absorption, Conservation of Energy, Foreign Exchange Earnings and Outgo

The provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are not applicable to your Company. However, your Company has been taking steps at all times for the conservation of energy.

Foreign Exchange Earnings & Outgo

Foreign Exchange Earnings - ₹ 11.50 million
Foreign Exchange Outgo - ₹ 32.07 million

49. Vigil Mechanism

Your Company is committed to the highest standards of ethical, moral and legal business conduct. Accordingly,

the Board of Directors have formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177 (10) of the Companies Act, 2013. All Directors, employees and stakeholders can raise their concerns regarding any discrimination, harassment, victimization, any other unfair practice being adopted against them or any instances of fraud by or against your Company. As per the Whistle Blower Policy implemented by the Company, the Employees, Directors, customers, dealers, vendors, suppliers, or any stakeholders associated with the Company are free to report illegal or unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Corporate Governance Policies or any improper activity, to the Chairman of the Audit Committee or Chief Compliance Officer and Company Secretary or Chief Executive Officer of the Company. The policy provides for adequate safeguard against victimization.

Any incidents reported are investigated and suitable actions are taken in line with the whistle blower policy. The Whistle Blower Policy is also available on your Company's website at: <https://muthootmicrofin.com/disclosures/>

50. Details of significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and the Company's operations in future

There was no significant and material order passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in the future.

51. Corporate Insolvency Resolution Process initiated under The Insolvency and Bankruptcy Code, 2016 (IBC)

There were no applications filed for corporate insolvency resolution process, by any financial or operational creditor of the Company or by the company itself, under the IBC before the NCLT.

52. Disclosure as per The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company is an equal opportunity employer and is committed to ensuring that the work environment at all its locations is conducive to fair, safe and harmonious relations between employees. It strongly believes in upholding the dignity of all its employees, irrespective of their gender or seniority. Discrimination and harassment of any type are strictly prohibited.

The company has in place a Policy for prevention of Sexual Harassment at the Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. The Company has constituted the Prevention of Sexual Harassment Committee to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The following is a summary of sexual harassment complaints received and disposed of during the period under review:

- (a) Number of complaints pending at the beginning of the year: **Nil**
- (b) Number of complaints received during the year: **Nil**
- (c) Number of complaints disposed off during the year: **Nil**
- (d) Number of cases pending at the end of the year: **Nil**

53. Details of Debenture Trustee

During the financial year, the following debenture trustees are associated with the Company:

Catalyst Trusteeship Limited	Vardhman Trusteeship Pvt Ltd.
Office No.83-87, 8 th Floor, B Wing, Mittal Tower, Nariman Point, Mumbai-400021,	The Capital, A Wing, 412A, Bandra Kurla Complex, Bandra (East) Mumbai 400 051.
Tel: +91(022)4922 0555	Tel: 022-42648335

54. Acknowledgment

Your Directors wish to place on record their appreciation for the assistance, co-operation and guidance received by the Company from the Customers, Shareholders, Debenture Holders, the Central Government, the State Government, the Reserve Bank of India, the Registrar of Companies, Mumbai, the Securities and Exchange Board of India, the BSE Limited, the National Stock Exchange of India Limited, Debenture Trustees, Depositories, Registrar and Share Transfer Agent, Credit Rating agencies and other Regulatory Authorities and Bankers during the year under review and look forward to their continued support. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Employees of the Company.

For and on behalf of the Board of Directors

Kochi
06.05.2024

Thomas George Muthoot
Director
(DIN 00011552)

Thomas Muthoot
Managing Director
(DIN 00082099)

ANNEXURE - I

DISCLOSURES IN COMPLIANCE WITH REGULATION 14 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021 AND RULE 12 OF THE COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014

1. Disclosure in terms of Guidance note on accounting for employee share-based payments issued by ICAI or any other relevant accounting standards as prescribed from time to time

Disclosed in the notes to financial statements - Refer to Note 43 of Standalone Financial Statements for FY 2023-24 which forms the part of this Annual Report

2. Material Changes in the Scheme

During the Financial Year under review, the Scheme was aligned as per the provisions and requirements under the SEBI (Share Based Employee Benefits) Regulations, 2015 and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

3. Diluted EPS on issue of shares pursuant to ESOS: ₹ 30.20 (there was no impact in the Diluted EPS due to ESOP, as the shares are already allotted to the ESOP Trust

4. i. Details related to ESOS

Particulars	ESOP 2016				ESOP 2022	
Date of Shareholders' Approval	December 05, 2016				November 04, 2022	
Tranches	I - ₹ 14	II - ₹ 67	III - ₹ 77.20	IV - ₹ 197	I - ₹ 151	II - ₹ 197
Grant Date	05.12.2016	22.02.2018	09.11.2021	10.08.2023	04.11.2022	10.08.2023
Total Number of Options approved under the Plan	14,15,614				26,66,647	
Vesting Requirements	Options are granted with a vesting period of 4 years and vesting shall be on such conditions as per the Grant.					
Exercise Price or Pricing Formula	Valuation from Registered Valuer					
Maximum term of option granted	Grant + 4 Years					
Source of Shares (Primary, Secondary or Combination)	Secondary					
Variation in terms of options	No Variation					
Method used for accounting of ESOS	Fair Value Method					
Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and its impact on profits and EPS of the Company	Company's ESOP plans are at fair value					

Particulars	ESOP 2016				ESOP 2022	
	I - ₹ 14	II - ₹ 67	III - ₹ 77.20	IV - ₹ 197	I - ₹ 151	II - ₹ 197
Option movement during the year						
Tranches						
Number of options granted and outstanding at the beginning of the year			3,59,898	-	24,65,500	-
Number of Options exercisable at the beginning of the year	1,66,250	1,24,500	1,10,591	-	-	-
Number of Options Granted during the year	Nil	Nil	Nil	71,000	Nil	2,37,147
Number of options Vested during the year	Nil	Nil	1,10,591	NA	6,07,375	NA
Number of options Exercised during the year	1,58,750	25,000	60,000	0	0	0
Number of shares arising as a result of exercise of options;	1,58,750	25,000	60,000	NA	-	NA
Number of Options lapsed during the year	0	2250	0	0	2500	0
Number of options cancelled during the year	0	0	28125	0	43500	0
Exercise Price	14	67	77.2	197	151	197
Money realized by exercise of options;	22,22,500	16,75,000	46,32,000	0	0	0
Number of Options outstanding at the end of the year			2,21,182	71,000	18,14,625	2,37,147
Number of options exercisable at the end of the year	7,500	97,250	1,61,182		6,04,875	
Loan repaid by the trust during the year from the exercise price received	NA	NA	NA	NA	NA	NA
Employee wise details of Options granted						
1. Key Managerial Personnel						Mr. Sadaf Sayeed – CEO – 40,000 Mr. Praveen T – CFO - 40,000 Ms. Neethu Ajay – CCO & CS – 40,147

Particulars	ESOP 2016			ESOP 2022			
2. Any other employees who have received a grant in any one year of Options amounting to 5% or more of Options granted during that year				Mr. Deepu S – CISO - 5000 Mr. Justine George -DCM - 7500 Mr. Kinnary Pillai -AVP- 4000 Mr. Lakshman Vema -VP- 8000 Ms. Manju K – DVP- 5000 Mr. Mofet Joseph - CM- 4000 Mr. Nithin S – DCM - 4000 Mr. Popuri Promod - AVP- 7500 Mr. Prabhath M P – M- 4000 Mr. Santhosh Kumar K -VP- 8000 Mr. Vinayak Nadesh – ACS - 7500 Mr. Vinod Chandran Nair V - AVP – 4000			
3. Identified Employees who were granted Options during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of Grant				NIL			
Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	1. Weighted Average Price per Share - ₹ 14	6. Weighted Average Price per Share - ₹ 67	11. Weighted Average Price per Share - ₹ 77.2	1. Weighted Average Price per Share - ₹ 197	1. Weighted Average Price per Share - ₹ 151	1. Weighted Average Price per Share - ₹ 197	
	2. Expected Volatility – 56.49%	7. Expected Volatility – 49.98%	12. Expected Volatility – 50.53%	2. Expected Volatility – 51.09%	2. Expected Volatility – 52.28%	2. Expected Volatility – 51.09%	
	3. Vesting Period - 4 years	8. Vesting Period - 4 years	13. Vesting Period - 4 years	3. Vesting Period - 4 years	3. Vesting Period - 4 years	3. Vesting Period - 4 years	
	4. Risk-free interest rate – 6.29	9. Risk-free interest rate – 7.58	14. Risk-free interest rate – 5.67	4. Risk-free interest rate – 7.03	4. Risk-free interest rate – 7.34	4. Risk-free interest rate – 7.03	
	5. Expected dividends – Nil	10. Expected dividends – Nil	15. Expected dividends – Nil	5. Expected dividends – Nil	5. Expected dividends – Nil	5. Expected dividends – Nil	
	Expected Life – 6.25 years	Expected Life – 6.25 years	16. Expected Life -5 years	6. Expected Life -5.01 years	6. Expected Life -5 years	6. Expected Life – 5.01 years	

Particulars	ESOP 2016	ESOP 2022
<p>For Options granted during the year weighted average exercise prices and weighted average fair value of the options shall be disclosed separately for options whose exercise price either equals or is less than the market price of the stock.</p>	<p>Weighted average exercise price of Option whose: Exercise Price equal to market price – ₹ 197 Exercise Price Greater than Market price – Nil Exercise Price is less than Market Price – Nil Weighted average fair value of Option: 103.62</p>	<p>Weighted average exercise price of Option whose: Exercise Price equal to market price – ₹ 197 Exercise Price Greater than Market price – Nil Exercise Price is less than Market Price – Nil Weighted average fair value of Option: 103.62</p>
<p>How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility</p>	<p>The expected volatility was determined based on annualized standard deviation of the continuously compounded rates of return on the comparable stock over a period of time.</p>	
<p>The method used and the assumptions made to incorporate the effects of expected early exercise;</p>	<p>Black-Scholes option pricing model</p>	
<p>Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.</p>	<p>Not Applicable</p>	

ANNEXURE - II

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31.03.2024

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

To,
The Members,
Muthoot Microfin Limited,
13th Floor, Parinee Crescenzo,
Bandra Kurla Complex, Bandra East,
Mumbai, Maharashtra-400051

We, SEP & Associates, Company Secretaries, have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Muthoot Microfin Limited [CIN: L65190MH1992PLC066228]** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the **Company's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March 2024**, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have conducted verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2024, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) as amended and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent applicable.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):

- a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 [last amended on 24th November, 2022];
- b) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 [last amended on 18th August, 2023];
- c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [last amended on 21st December, 2023];
- d) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 [last amended on 06th July, 2023];
- e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 [last amended on 21st December, 2023];
- (vi) As informed to us, the following Regulations and Guidelines prescribed under the Reserve Bank of India Act, 1934 applicable to Non-Banking Financial Companies (Non-Deposit Accepting or Holding) are specifically applicable to the Company:
 - a) Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 updated as on March 21, 2024;
 - b) Non- Banking Financial Company Returns (Reserve Bank) Directions, 2016 as well as Master Direction – Reserve Bank of India (Filing of Supervisory Returns) Directions - 2024 dated February 27, 2024;
 - c) Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022;
 - d) Prudential Framework for Resolution of Stressed Assets dated June 07, 2019;

- e) Framework For Compromise Settlements and Technical Write-Offs dated June 08, 2023;
- f) 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;
- g) Monitoring of frauds in NBFCs (Reserve Bank) Directions, 2016;
- h) Reserve Bank of India (Know Your Customer (KYC)) Directions, 2016;
- i) Master Direction – Information Technology Framework for the NBFC sector dated June 08, 2017;
- j) Master Direction- Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 dated September 29, 2016;
- k) Guidelines on Liquidity Risk Management updated as on November 10, 2023;
- l) Framework for Compliance Function and Role of Chief Compliance Officer (CCO)- NBFCs, RBI Circular dated April 11, 2022;
- m) Reserve Bank Commercial Paper Directions, 2017 dated August 10, 2017;
- n) ReserveBank-IntegratedOmbudsmanScheme,2021;
- o) Guidelines on digital lending dated September 02, 2022;
- (vii) The Prevention of Money Laundering Act, 2002 and the Regulations and Bye-laws framed thereunder;

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

- (i) Secretarial Standard relating to Board (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

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

- The Company failed to submit the following intimation on time, to BSE Limited and had to pay fine as given below for the non-compliance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015).

Particulars	Penalty Amount (in Rs.)
Delay in submission of the notice of Record Date	10,000

We have noticed that such delays have been sufficiently addressed by the Board by taking note of the same in the Board Meetings.

In respect of other laws specifically applicable to the Company we have relied on information/ records produced by the Company during the course of our audit and the reporting is limited to that extent.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the year, Mrs. Bhama Krishnamurthy, Mrs. Pushpy B Muricken and Mr. T S Vijayan were re-appointed as Independent Non-Executive Directors for the second term of 5 years on 14th June 2023.

Adequate notice is given to all directors to schedule the Board Meetings in compliance with the provisions of Section 173(3) of the Companies Act, 2013, agenda and detailed notes on agenda were sent at least seven days in advance. Where the same were given at Shorter Notice less than 7 (seven) days, proper consent thereof were obtained. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. Further, the Company had put in place a Code of Conduct as prescribed under Regulation 8 (1) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

We further report that during the audit period, allotment of the following securities has taken place:

Sl. No.	Method of Issue	Date of Allotment	Particulars
1.	Private Placement	05.06.2023	15,000 Secured, Rated, Listed, Redeemable, Taxable, Non-Convertible Debentures of Rs. 1,00,000/- each amounting to Rs. 150,00,00,000/-
2.	Private Placement	07.07.2023	7,500 Secured, Rated, Listed, Fully Paid-up, Redeemable, Taxable Non-Convertible Debentures of Rs. 1,00,000/- each amounting to Rs. 75,00,00,000/-
3.	Private Placement	01.08.2023	7,500 Secured, Rated, Listed, Fully Paid-up, Redeemable, Taxable Non-Convertible Debentures of Rs. 1,00,000/- each amounting to Rs. 75,00,00,000/-

Sl. No.	Method of Issue	Date of Allotment	Particulars
4.	Conversion of Preference Shares	25.11.2023	23,360,260 CCPS held by Greater Pacific Capital WIV Ltd. were converted to 27,520,722 Equity Shares of face value of 10 each in accordance with the Shareholders Agreement.
5.	Public Issue	21.12.2023	2,57,73,195 Equity Shares of Rs. 10/- each at a premium of Rs. 281 amounting to Rs. 7,49,99,99,745/- 3,61,010 Equity Shares of Rs. 10/- each at a premium of Rs. 267 amounting to Rs. 9,99,99,770/-

We further report that during the period under review, the following special resolutions were passed by the members of the Company:

Date of Resolution	Legal Provision	Resolution
14/06/2023	Section 149, 150 and 152	Re-appointment of Mrs. Pushpy B Muricken (DIN: 03431198) as an Independent Director of the Company for a second term of 5 years
14/06/2023	Section 149, 150 and 152	Re-appointment of Mr. T S Vijayan (DIN: 00043959) as an Independent Director of the Company for a second term of 5 years
14/06/2023	Section 149, 150 and 152	Re-appointment of Mrs. Bhama Krishnamurthy (DIN: 02196839) as an Independent Director of a Company for a second term of 5 years
14/06/2023	Section 239 and 62(1)(c)	Approval for Initial Public Offer of Equity Shares of the Company
26/06/2023	Section 5 and 14	Adoption of the new set of Articles of Association of the Company
26/06/2023	Section 4 and 13	Amendment to the Object Clause of the Memorandum of Association
26/06/2023	Section 62(1)(b)	Amendment of Muthoot Microfin Employee Stock Option Plan 2016
26/06/2023	Section 62(1)(b)	Amendment of Muthoot Microfin Limited Employee Stock Option Plan 2022
25/11/2023	Section 42, 55 and 62	Conversion of 2,33,60,260 Compulsorily Convertible Preference Shares (CCPS) to Equity Shares and allotment of 2,75,20,722 Equity Shares upon conversion to the Greater Pacific Capital WIV Ltd.
25/11/2023	Section 5 and 14	Adoption of amended set of Articles of Association of the Company.

We further report that during the period under review, the following redemption of Non-Convertible Debentures/Securities have taken place:

ISIN Number	Issuance Date	Maturity Date	Coupon Rate (%)	Payment Frequency	Amount Issued (in. Rs. Crores)
INE046W07156	11-01-2022	11-01-2023	10.40	Maturity	100
INE046W07164	25-03-2022	25-03-2023	10.10	Maturity	100
INE046W07131	15-07-2021	15-07-2023	10.50	Maturity	50
INE046W07099	18-09-2017	18-09-2013	11.25	Half Yearly	75
INE046W07206	27-07-2022	27-01-2024	10.45	Maturity	150
INE046W07206	22-09-2022	27-01-2024	10.45	Maturity	100

We further report that during the period under review, the Company came out with Initial Public Offer (IPO) of Equity Shares of the Company aggregating to Rs. 9,600.00 million. The issue included a fresh issue of Equity Shares upto Rs. 7,600.00 million and an Offer for Sale of Equity Shares upto Rs. 2,000.00million by certain shareholders of the Company.

The Company had filed Draft Red Herring Prospectus (DRHP) with the Securities and Exchange Board of India (SEBI) on July 01, 2023. SEBI had issued its observations on the DRHP through its letter dated October 26, 2023. The Company had filed Red Herring Prospectus with the Registrar of Companies, Mumbai on December 12, 2023 and the Prospectus on December 21, 2023.

The issue was open for subscription from Monday, December 18, 2023 to Wednesday, December 20, 2023. Pursuant to the IPO, 3,30,07,054 Equity Shares (includes offer for sale of 68,72,849 equity shares) were issued and allotted to the public at a price of Rs. 291/- on December 21, 2023.

The Company received listing and trading approvals from BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) on December 22, 2023, and the Equity Shares were listed on BSE and NSE on December 26, 2023.

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

- (i) Issuance of securities including Public/ Right/ Preferential issue of securities other than those mentioned above;
- (ii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013 other than those mentioned above;
- (iii) Buy-back of securities
- (iv) Merger/amalgamation/ reconstruction;
- (v) Foreign technical collaborations.

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

For SEP & Associates

Company Secretaries
(Peer Review Certificate No. 3693/2023)

UDIN: F003050F000299192

CS Puzhankara Sivakumar

Managing Partner
FCS: F3050 COP: 2210
Place: Kochi
Date: 03.05.2024

ANNEXURE A TO THE SECRETARIAL AUDIT REPORT OF EVEN DATE

To,
The Members,
Muthoot Microfin Limited,
13th Floor, Parinee Crescenzo,
Bandra Kurla Complex, Bandra East,
Mumbai, Maharashtra-400051

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

1. Maintenance of the Secretarial records is the responsibility of the management of the Company. Our responsibility as Secretarial Auditors is to express an opinion on these records, based on our audit.
2. During the audit, we have followed the practices and process as were appropriate, to obtain reasonable assurance about the correctness of the contents of the Secretarial records. We believe that the process and practices we followed provide a reasonable basis for our report.
3. The correctness and appropriateness of financial records and Books of Accounts of the Company have not been verified.
4. We have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc., wherever required.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards etc. is the responsibility of management. Our examination was limited to the verification of the procedures and compliances on test basis.
6. While forming an opinion on compliance and issuing the Secretarial Audit Report, we have also taken into consideration the compliance related actions taken by the Company after 31st March 2024 but before issue of the Report.
7. We have considered actions carried out by the Company based on independent legal/professional opinion as being in compliance with law, wherever there was scope for multiple interpretations.

For SEP & Associates

Company Secretaries
(Peer Review Certificate No. 3693/2023)

UDIN: F003050F000299192

CS Puzhankara Sivakumar

Managing Partner
FCS: F3050 COP: 2210
Place: Kochi
Date: 03.05.2024

ANNEXURE - III

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

For achieving the CSR objectives through the implementation of meaningful and sustainable CSR programs, Muthoot Microfin Limited (the Company) will annually contribute up to two percent of the average profits for the last three financial years towards CSR activities.

1. A brief outline of the Company's CSR policy

The CSR Policy of the Company is designed to portray its commitment to be a responsible corporate citizen and presents the strategies and methods for undertaking social programs for well-being and sustainable development of the local community in which it operates. Most of the CSR activities of the Company are channelized through the Muthoot Pappachan Foundation (MPF), a Public Charitable Trust formed in the year 2003 as the CSR arm of the Muthoot Pappachan Group (MPG) to facilitate CSR activities for the entire Group and all its business verticals. The CSR programs of MPF is bound by the theme HEEL: Health, Education, Environment, and Livelihood.

The objectives of CSR Policy of the Company are to:

- build a framework of CSR activities with a philanthropic approach in line with business unit objectives, which also benefits the organization at large;
- shape sustainability for the organization by 'Engaging the Community';
- build a corporate brand through CSR; and
- for other stakeholders, make it "an integral part of the Company's DNA, so much so that it has to be an organic part of the business".

2. The Composition of the CSR Committee

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Thomas Muthoot	Managing Director	1	1
2	Mr. Thomas George Muthoot	Non- Executive Director	1	1
3	Mr. Thomas John Muthoot	Non- Executive Director	1	1
4	Mr. Alok Prasad	Independent Director	1	1

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company: <https://muthootmicrofin.com/disclosures/>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable

5. (a) Average net profit of the company as per sub-section (5) of section 135

Sl. No.	Financial Years	Net Profit as per section 198 (Rupees)
1.	Ending 31st March, 2021	9,05,48,581
2.	Ending 31st March, 2022	64,72,12,149
3.	Ending 31st March 2023	2,12,87,12,307
	Average Net Profit	95,54,91,012

- (b) Two percent of average net profit of the company as per section 135(5): 1,91,09,820
- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
- (d) Amount required to be set off for the financial year, if any: Not applicable
- (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: 1,91,09,820
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): 1,91,09,820.
- (b) Amount spent in Administrative Overheads: Nil
- (c) Amount spent on impact Assessment, if applicable : Not Applicable
- (d) Total amount spent for the Financial Year [6a+6b+6c] : 1,91,09,820
- (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount.	Date of Transfer.	Name of the Fund.	Amount.	Date of Transfer.
1,91,09,820	NA	-	-	-	-

- (f) Excess amount for set-off, if any:

Sl. No.	Particulars	Amount (₹)
1	Two percent of average net profit of the company as per Section 135(5)	1,91,09,820
2	Total amount spent for the Financial Year	1,91,09,820
3	Excess amount spent for the financial year [(ii)-(i)]	NIL
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
5	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

7. Details of Unspent CSR amount for the preceding three financial years: Nil

1	2	3	4	5	6		7	8
Sl. No	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1	FY-2022-23	Nil	Nil	Nil		Nil	Nil	
2	FY-2021-22	Nil	Nil	Nil		Nil	Nil	
3	FY- 2020-21	Nil	Nil	Nil		Nil	Nil	

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If yes, enter the number of Capital assets created/ acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
NA	NA	NA	NA	NA	NA	NA	NA

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135: Not Applicable

For and on behalf of the CSR Committee and Board of Directors

Thomas George Muthoot
(Member, CSR Committee)
Director
(DIN 00011552)

Thomas Muthoot
(Chairman, CSR Committee)
Managing Director
(DIN 00082099)

Kochi
06.05.2024

ANNEXURE - IV

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

SECTION A : GENERAL DISCLOSURES

I. Details of the listed entity

S. No	Required Information	
1	Corporate Identity Number (CIN) of the Listed Entity	L65190MH1992PLC066228
2	Name of the Listed Entity	Muthoot Microfin Limited
3	Year of incorporation	1992
4	Registered office address	13th Floor, Parinee Crescenzo, Bandra Kurla Complex, Bandra East, Mumbai 400051
5	Corporate address	5th Floor, Muthoot Towers, M.G Road, Kochi 682035
6	E-mail	info@muthootmicrofin.com
7	Telephone	+91 4844277500
8	Website	https://muthootmicrofin.com/
9	Financial year for which reporting is being done	2023-2024
10	Name of the Stock Exchange(s) where shares are listed	BSE, NSE
11	Paid-up Capital	1704921760
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Ammaar Mohammad, AVP-Investor Relations & ESG ammaar@muthootmicrofin.com +91 9899088588
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	The disclosures are on standalone basis
14	Name of Assurance Provider	No Assurance conducted (As the Company does not fall under top 150 listed entities)
15	Type of Assurance obtained	No Assurance conducted (As the Company does not fall under top 150 listed entities)

II. Products / Services

16 Details of business activities (accounting for 90% of the turnover):

S. No	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Microfinance	Providing financial assistance through micro loans such as income generating loans to women engaged in small businesses	94%

17 Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No	Product / Service	NIC Code	% of total Turnover contributed
1	Microfinance and related matters	64990	94%

III. Operations

18 Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	1508	1 Head office and 26 Regional Office	1535
International	NA	NA	NA

19 Market Served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	19
International (No. of Countries)	NA

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Not Applicable

c. A brief on type of customers

The company is focused on providing micro-loans to women entrepreneurs with a focus on rural regions of India

IV. Employees

20 Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No.(B)	% (B/A)	No.(C)	% (C/A)
Employees						
1	Permanent (D)	6204	5984	96.5%	220	3.5%
2	Other than Permanent (E)	7662	7354	96.0%	308	4.0%
3	Total employees (D+E)	13866	13338	96.2%	528	3.8%

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No.(B)	% (B/A)	No.(C)	% (C/A)
Differently Abled Employees						
1	Permanent (D)	0	0	0	0	0
2	Other than Permanent (E)	0	0	0	0	0
3	Total differently abled employees (D+E)	0	0	0	0	0

21 Participation/Inclusion/Representation of women:

Particulars	Total (A)	No. and percentage of Females	
		No.(B)	% (B/A)
Board of Directors	10	2	20%
Key Management Personnel	3	1	33.33%

22 Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2023-24 (Turnover rate in current FY)			FY 2022-23 (Turnover rate in previous FY)			FY 2021-22 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	22.80%	0.99%	23.79%	25.85%	1.10%	26.95%	34.40%	1.02%	35.42%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23 (a) Name of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Muthoot Fincorp Limited	Holding	50.21%	No

VI. CSR Details

(i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)

Yes

(ii) Turnover (in ₹)

22,70,17,96,499.30

(iii) Net worth (in ₹)

28,04,35,25,169.83

VII. Transparency and Disclosure Compliances

25 Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
The list of the stakeholders							
Communities	YES	NIL	NIL	NIL	NIL	NIL	NIL
Investors (other than shareholders)	https://muthootmicrofin.com/disclosures/	903	0	NIL	NIL	NIL	NIL
Shareholders		NIL	NIL	NIL	NIL	NIL	NIL
Employees		229	NIL	NIL	290	NIL	NIL
Customers		640	13	NIL	433	5	NIL
Value Chain Partners		NIL	NIL	NIL	NIL	NIL	NIL
Other (Total)		NIL	NIL	NIL	NIL	NIL	NIL

26 Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Digitization -Innovation	Opportunity	Muthoot Microfin Limited (MML) takes advantage of every possibility that comes with the latest developments for digital financial services solutions, such as disbursement and collections, in order to facilitate easiness in operational processes, data security and to enhance productivity.	-	Positive Digitization could help MML in automating the procedure, minimizing expenses, improving accuracy, and guaranteeing timely processing. In the end, this will increase data security and productivity, which will raise profitability.
2	Financial Inclusion	Opportunity	We have a mission "To become the most innovative and successful financial institution serving the life cycle needs of the underserved," MML- A microfinance organization with operations in 19 states and UT, assists the more underprivileged and underserved segments of society and has played a significant role in advancing financial inclusion in India. The term "microfinance," for MML, refers to incredibly small loans given to self-sufficient women in rural and semi-urban areas with the intention of raising their standard of living.	-	Positive Growth potential can be unlocked by offering creative, customer-focused financial services and products to female entrepreneurs who do not have access to the formal banking system.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Lending Practices	Opportunity	The independent credit underwriting vertical evaluates household-level income and obligations at the Credit Bureau information level in addition to historical data and repayment patterns with MML and other FIs. Meeting in person before approving the borrower's loan helps to evaluate the applicant's eligibility, ascertain the loan amount, and minimise the reliance on unofficial data only for assessment and it helps to limit delinquency.	-	Positive With well-defined policies, procedures, and processes in place, MML adheres to stringent loan eligibility requirements that give top priority to evaluations of household income, expenses, FOIR, Credit Bureau data, repayment patterns, and the applicant's creditworthiness. By adhering to the credit underwriting framework, a comprehensive evaluation of borrowers is conducted at the household level. Eligibility is then fixed based on risk-based scoring, it helps for maintaining improved portfolio quality.
4	Human Capital Management	Risk and Opportunity	Risk: Challenges in retaining employees causes difficulties in attaining business objectives, lesser productivity, maintaining quality portfolio. Opportunity: Performance can be improved by implementing effective practices such as providing opportunities for learning and growth, paying the competitive wages in the sector, guaranteeing a better work-life balance, providing chances to develop talent and skills, and creating a clear succession plan. This will encourage them to offer their best effort, which will boost productivity, lower employee churn, and change the organization's work culture.	In order to provide employees with a positive work environment and culture that enhances their experience and fosters employee loyalty, a strong system of personnel development and management is in place. This system allows employees to look forward to the next level of career growth opportunities.	Negative Not maintaining human resource for long term may lead to lesser productivity, increased recruitment cost, and lesser business achievements. Positive Improving employee values through growth opportunities for learning will result in higher retention rates, which will support sustained corporate expansion.
5	Data Security Risk	Risk	The presence of adequate and proven data security measures strengthens the dependability and confidence that stakeholders, investors, banks, financial institutions, regulatory and statutory agencies, and customers have in the IT system, processes, procedures, reports, and management.	Classifying data based on criticality, Antivirus, Encryption, application control, Penetration Testing, Anti Phishing, Malware monitoring, Firewall, Access Controls, IT Security Risk governance, IT Process/ Policies adherence, IT Audits, IS Audits, IT Security Risk Reporting etc with enhance data security	Negative Any kind of data security failure results in regulatory oversight, a decline in investor, bank, financial institution, and customer trust, as well as money leakage and reputational harm.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6	Regulatory and Statutory Compliance	Risk	As part of improved governance, NBFCs are subject to an increase in regulatory reporting and compliance requirements in order to guarantee fair lending standards that align with banking standards and to gain over investors and clients.	Well defined processes, procedures, policies, frameworks and system controls ensure that there are no regulatory and statutory non-compliances arising. To ensure compliance with regulations and legal requirements, MML reviews its products, procedures, policies, and control mechanisms through internal and external assurance and self-evaluation tests as well as by Board committees.	Negative Non-Compliance of regulatory and statutory requirements will lead to financial and reputational risks.
7	Fraud Risk Management	Risk	The threat of fraud and monetary theft is highest for NBFC MFIs, which makes fraud risk management important. Fraud and deliberate misappropriation will cause loss of money, damage of company's reputation, and turn out investors, Customers and lenders.	Robust fraud risk management followed by in house internal audit and external internal Audit helps us to ensure conducting internal audit in regular intervals	Negative Non-Compliance of regulatory and statutory requirements will lead to financial and reputational risks.
8	Climate Change	Risk	Climate change raises potential risks that could disrupt the economy and have negative financial effects on financial institutions. Climate change-related uncertainty and severity pose an imminent risk to entities' resilience, safety of assets and human resources, and reputation and rising impairment cost.	A client can be protected against the financial impact of natural disasters such as floods, torrential rains, cyclones, heat waves, etc., with an insurance policy that covers damage to their home and appliances etc. Extending the revival support further will assist in reviving the clients' revenue-generating activities.	Negative The uncertainty and severity of climate change present an immediate risk to an entity's reputation, safety of assets and human resources, impair the value of assets held by customers and its resilience.
9	Risk Management - Enterprise Level	Opportunity	The enterprise-level risk management framework of a financial institution is vital and significant for all parties that benefit from the business, including clients and stakeholders. The risk management function is independent in its responsibilities and reports to the board's Risk Management Committee. MML is now engaged in the evaluation of environmental risks impacting the business directly.	-	Positive In particular, credit risk and operational risk are evaluated by the company, and all significant risks are reassessed on a regular basis to determine the efficacy of mitigation strategies and identify any gaps in them, if any, and to implement further control measures.
10	Corporate Governance and Ethics	Risk	Key governance elements like culture, such as owners, management, control, accounting, ethics, and transparency, are used to evaluate business and its values. Corporate governance assesses the impact of ethical behaviour and fair practices on stakeholders as well.	Implementing well-defined internal control mechanisms, excellent governance practices, prompt adherence to standards, transparency in all dealings, compliance, and an effective risk management system are the cornerstones of good corporate governance in MML.	Negative Wrong perceptions about corporate governance may have negative impacts on businesses.

SECTION B : MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
1	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c. Web Link of the Policies, if available	https://muthootmicrofin.com/disclosures/								
2	Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

4 Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.

Great Place To Work institute has recognised Muthoot Microfin among India's top 50 Best Workplaces™ in Health and Wellness 2023.	P3: Employee wellbeing & engagement
Muthoot Microfin has been awarded 'Microfinance Company of the Year' at the ET Business Awards 2024, held at Bangalore on the 18 March 2024.	P9: Customer focus
Muthoot Microfin Limited has been certified as a Great Place To Work® for the fifth time by the Great Place To Work Institute.	P3: Employee wellbeing & engagement
Muthoot Microfin Limited has been awarded the Gold Level Certification for Client Protection by M-CRIL.	P4: Stakeholder engagement
Muthoot Microfin Limited has been conferred the Runner-Up Award for Outstanding Financial Performance at the ASSOCHAM 18th Annual Summit & Awards.	P8: Inclusive and equitable growth
Muthoot Microfin has been awarded the Best Learning Strategy – Gold award from Indian Business Council and The Human Resource Ideas & Voices Event (THRIVE) 2023.	P3: Employee wellbeing & engagement
Mr Sadaf Sayeed, CEO – Muthoot Microfin has been recognized among India's Top 10 CEOs by Trade flock.	P4: Stakeholder engagement
Muthoot Microfin has been honoured as a winner in the prestigious 'Modern and Agile Data Architecture and Infrastructure' category at The Economic Times Data Con Awards 2023.	P2: Product stewardship
Muthoot Microfin honoured with ELETS 2nd NBFC100 Leader of Excellence Award in Jury's Choice for Outstanding Technology Implementation.	P2: Product stewardship
Muthoot Microfin has been awarded as the 'Best Workplaces in BFSI' for the 2nd time.	P3: Employee wellbeing & engagement
Muthoot Microfin has adopted ISO 22301:2012 as the standard based on which the BCMS is designed, implemented and monitored.	P9: Customer focus
In addition, the above Standard, the select clauses of the control group 17 of ISO 27002:2013 relating to Information Security Aspects of Business continuity has also been adopted.	P9: Customer focus

5 Specific commitments, goals and targets set by the entity with defined timelines, if any.

The Company strives hard to positively impact the environmental social and governance aspects through its operations and societal interactions. The Company is committed to Financial Inclusion and Women Empowerment.

6 Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.

The Company actively monitors the progress against the action plan to ensure complete compliance with the established norms.

Governance, leadership and oversight

- 7 Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

Over the past years, we have witnessed the transformative power of financial inclusion in the lives of individuals and communities across India. It gives me immense pride and joy that our commitment to providing access to finance to the unserved and underserved, fostering entrepreneurship among women and promoting sustainable livelihoods has yielded results in yet another financial year. Customer focus has been the core value for us throughout these years and maintaining high standards in customer service has been the key to our success in this fiscal as well. By leveraging technology, forging strategic collaborations, and nurturing a culture of responsible lending, we envisage to catalyse positive change through transforming lives and paving the way towards a more inclusive and equitable society.

- 8 Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).

Thomas Muthoot (DIN 00082099), Managing Director

- 9 Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.

No. The board of directors, key managerial personnel and senior management of the Company monitor various aspects of ESG responsibilities of the Company continuously and make decisions at the appropriate levels.

- 10 Details of Review of NGRBCs by the Company:

Subject of Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)									
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9	
Performance against above policies and follow up action					Yes														All the policies of the Company are reviewed periodically and on as when basis.
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances					Yes														All the policies of the Company are reviewed periodically and on as when basis.

- 11 Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency
- | | | | | | | | | |
|----|----|----|----|----|----|----|----|----|
| P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
| | | | | No | | | | |

- 12 If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Not Applicable

SECTION C : PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership".

While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1 :

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1 Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	8	Cyber Security awareness, Regulatory Updates, Risk Management, ESG related refresher sessions, etc.	100%
Key Managerial Personnel	10	FinTech and Financial Inclusion – BIRD Mangalore, Financial Inclusion for NBFC-MFIs – CAB Pune, Enhancing Agri and Rural Credit Flow – BIRD Mangalore, Challenges of Managing Inclusive Finance in INDIA – Indian Institute of Management, Bangalore, Enabling strategic impact in the board room – London school of Business, UK, Prohibition of Insider Training, Leadership Training Session On Prevention Of Sexual Harassment	
Employees	673	We covered COC, CPP, FPC, ESG for all our staff during the Induction training programs.	100%

2 Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity’s website):

Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	NA	BSE	10,000 + tax	There was one day delay on the intimation of the record date under Regulation 60(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations	No
Settlement				NIL	
Compounding fee				NIL	

Non- Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment				
Punishment			NIL	

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
	NIL

- 4 Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

YES

<https://cdn.muthootfinance.com/sites/default/files/files/2024-04/anti-bribery-and-anti-corruption-policy-1.pdf>

- 5 Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

- 6 Details of complaints with regard to conflict of interest:

Particulars	FY 2023-24 (Current Financial Year)		FY 2022-23 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NIL	NIL	NIL
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	NIL	NIL	NIL

- 7 Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

- 8 Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Number of days of accounts payable	Not Applicable	

(As Muthoot Microfin limited is operating in Financial sector cost of goods, procurement of services, trading houses, purchases are not relevant in this sector)

- 9 Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases		Not Applicable
	b. Number of trading houses where purchases are made from		
	c. Purchases from top 10 trading houses as % of total purchases from trading houses		
Concentration of Sales	a. Sales to dealers/ distributors as % of total sales		Not Applicable
	b. Number of dealers / distributors to whom sales are made		
	c. Sales to top 10 dealers/distributors as % of total sales to dealers / distributors		
Shares of RPTs in	a. Purchases (Purchases with related parties/ total purchases)		Not Applicable
	b. Sales (Sales to related parties/ total sales)		
	c. Loans & advances (Loans & advances given to related parties / total loans and advances)		
	d. Investments (Investments in related parties / total investments made)		
	Note: (The amount which is given is the cumulative balance not the transaction during the year)	₹ 0.45 Million	₹ 0.45 Million

Leadership Indicators

1 Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
		NA

2 Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same

Yes. The company has a Code of Conduct for Board and senior management in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Directors and Senior Management Personnel of the Company should not enter into any transaction or engage in any practice, directly or indirectly, that would tend to influence him/her to act in any manner other than in the best interests of the Company.

PRINCIPLE 2 :

Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1 Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R & D	Since we are into the business of offering financial services, elements related to R&D and CAPEX on Environment and		
Capex	Social aspects are not applicable to us		

2 a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

We are now promoting solar inverters in our branches and have implemented solar inverters in 3% of our total branches. Solar inverters contribute to the reduction of greenhouse gas emissions by harnessing clean energy.

We have replaced 85% of laser printers in branches with inkjet printers. Inkjet printers typically generate less waste compared to traditional laser printers, as they often use cartridges that can be recycled or refilled, thus reducing landfill waste. We have also reduced our paper usage by 87%. The significant reduction in paper usage minimizes deforestation and reduces waste generation, leading to the conservation of natural resources.

b. If yes, what percentage of inputs were sourced sustainably?

3%

3 Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for

(a) Plastics (including packaging)	
(b) E-waste	
(c) Hazardous waste	Not Applicable
(d) other waste.	

4 Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

No, Extended Producer Responsibility (EPR) is not applicable to the entity's activities.

Leadership Indicators

- 1 Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
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Not applicable

- 2 If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
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Not applicable

- 3 Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year

Not applicable

- 4 Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

Not Applicable

- 5 Reclaimed products and their packaging materials (as percentage of products sold) for each product category

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
---------------------------	---

Not applicable

PRINCIPLE 3 :

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

- 1 a Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	5984	5984	100%	5984	100%	NA	NA	5984	100%	-	-
Female	220	220	100%	220	100%	220	100%	NA	NA	-	-
Total	6204	6204	100%	6204	100%	220	100%	5984	100%	-	-
Other than Permanent employees											
Male	7354	7354	100%	7354	100%	NA	NA	-	-	-	-
Female	308	308	100%	308	100%	-	-	NA	NA	-	-
Total	7662	7662	100%	7662	100%	-	-	-	-	-	-

- b Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Cost incurred on well-being measures as a % of total revenue of the company	19.63%	22.30%

- 2 Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	13862*	-	Y	10225**	-	Y
Gratuity	13866	-	Y	10227	-	Y
ESI	9790	-	Y	7369	-	Y
Others – Please specify	4*	-	-	2**	-	-

*Note: (Out of total 13866 employees, 4 employees have not opted for EPF)

**Note: (Out of total 10227 employees, 2 employees have not opted for EPF)

- 3 **Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard Yes

- 4 Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes

<https://muthootmicrofin.com/>

- 5 Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	99% returned to work and 1% still on leave as per policy	99%	NA	NA
Female	97% returned to work and 3% still on leave as per policy	84%	NA	NA
Total	98%	97%	NA	NA

- 6 Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	NA
Other than Permanent Workers	NA
Permanent Employees	Yes - The Grievance Redressal Mechanism provides employees with a constructive way to voice their concerns and helps the organization to address the issues before they become more of a distraction in the workplace. Employee Grievance Cell is set up in the Head Office. The company's HR Department is designated as the nodal department for handling employee grievances. Employees may register the grievance through call/ mail/HR 360 website/mobile application/ Letter. The HR department will scrutinize the issue/concerns and after clarification from the complainant (if any), draft the note and put it forward before the designated person of the concerned department. The designated person of the concerned department will reply within 7 working days after receiving the note. HR Department will forward the reply to the complainant and explain the outcome of the grievance registered. The CEO of the company is always available in person to understand the concerns and grievances of employees.
Other than Permanent Employees	

7 Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2023-24			FY 2022-23		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees						
Male						NIL
Female						

8 Details of training given to employees and workers:

Category	FY 2023-24					FY 2022-23				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. F	% (F/D)
Employees										
Male	13338	9453	71%	8402	63%	9879	4739	48%	3483	35%
Female	528	320	61%	344	66%	348	185	53%	166	48%
Total	13866	9773	70%	8746	63%	10227	4924	48%	3649	36%

9 Details of performance and career development reviews of employees and worker:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No.(B)	% (B/A)	Total (C)	No.(D)	% (D/C)
Employees						
Male	13338	13036	98%	9879	8705	88%
Female	528	528	100%	348	338	97%
Total	13866	13564	98%	10227	9043	88%

10 Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

We have OHS policy that ensures commitment to providing a safe and healthy work environment, endorsed by senior management and communicated to all employees. Employees receive training on OHS policies, procedures, and practices relevant to their roles. This training cover topics such as hazard identification and emergency procedures, we have developed and implement procedures for responding to emergencies such as fires, medical emergencies, (M-SWASTH health care assistance) or natural disasters. This includes conducting regular emergency drills and ensuring that employees are familiar with evacuation routes and emergency contacts.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Hazard Identification involves scheduled walkthroughs of the workplace to identify any visible hazards, analysing past incidents or near misses to identify root causes and potential hazards encouraging employees to report any hazards they encounter during their work. Control Measures consists of physical changes to the workplace or work conditions to reduce the likelihood of a hazard. Changes to work procedures or policies to minimize exposure to hazards. Providing employees with appropriate training and guidance to protect against hazards that cannot be eliminated through other means.

- c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks.

(Y/N) YES, employee grievance redressal

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

YES, employee insurance, ESI and basic health care & online doctor consultancy provided by M-Swasth.

11 Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees Workers		
Total recordable work-related injuries	Employees Workers		
No. of fatalities	Employees Workers		Not Applicable
High consequence work-related injury or ill-health (excluding fatalities)	Employees Workers		

12 Describe the measures taken by the entity to ensure a safe and healthy work place.

Regular assessments are conducted to identify potential hazards in the workplace. Employees are given training on safety protocols & emergency procedures, all our branches and offices are undergoing strict safety validation before acquiring the premise. Every office is provided with fire safety equipment and substantial measures taken to avoid electricity related issues. We have implemented plans for emergencies such as fires, natural disasters, or medical emergencies. This includes providing training on evacuation procedures and first aid. We are conducting routine inspections (Branch Visits) of the workplace to identify and address any safety hazards or compliance issues. Also, when considering business expansions in areas prone to flood, we avoid securing Ground floors in order to ensure employee safety and well-being. By implementing these measures in our organization, we create a workplace where employees feel valued, protected, and empowered to perform their jobs safely and effectively.

13 Number of Complaints on the following made by employees and workers:

	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	Nil	Nil	Nil	Nil
Health & Safety	Nil	Nil	Nil	Nil	Nil	Nil

14 Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15 Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

NA

Leadership Indicators

1 Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N)

Yes-Up to Maximum 2 crore

2 Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

External and Internal Auditing, Internal Monitoring

- 3 Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Employees				
Workers				NA

- 4 Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes - Retiral benefits like Gratuity, leave encashment, and Pension is provided

- 5 Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	
Working Conditions	NA

- 6 Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

NA

PRINCIPLE 4 :

Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

- 1 Describe the processes for identifying key stakeholder groups of the entity

Any individuals/groups who may either influence or be interested or affected by the business operations of the Company is identified as the key stakeholder.

- 2 List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group

	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
1	Customer	Yes	SMS, Phone, Website, Centre Meetings, Branches	Ongoing and as when basis	Loan service and addressing the queries, grievance etc.
2	Employee	No	SMS, Phone, Email, Website, HRMS software, strategy meets, training and development,	As and when basis	Upskilling training programs, performance appraisal, feedback, suggestions and grievances, reward and recognition etc.
3	Stakeholders & Investors	No	Investor/analysts calls & Conference, Quarterly results, General body meeting, Annual report, Media releases, Website.	Ongoing, quarterly and annually	Updates on business performance, to answer queries raised

	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
4	Government and regulators	No	SMS, Phone, Email, Website, regulatory reporting, meetings,	Periodic and as and when basis	Ensuring compliance with all regulatory requirements, ensuring good governance, responding to communications seeking clarifications and explanations, payment of all statutory dues and taxes
5	Communities	Yes, beneficiaries of CSR initiatives	SMS, Phone, Email, Meetings, Website	Periodic and as and when basis	To promote development and wellbeing of society, Advancing livelihood, Environmental preservation
6	Lenders, Media and Other business partners	No	SMS, Phone, Email, Meetings, Website	Periodic and as and when basis	Providing update on business performance, financial results, updating key issue & concerns

1 Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Company proactively interacts with all the stakeholders and the senior management team will also interact with the stakeholders based on the requirements. Any material feedbacks/ comments received from the stakeholders are communicated to the Board

2 Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No).

If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes. There were no specific observations made by any stakeholder during the financial year

3 Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

The Company through its CSR initiatives has touched lives of many by providing support and ensuring that the marginalised or underprivileged sections of the society by offering them with opportunities to achieve success in life.

Further, our microfinance operations are designed to promote entrepreneurship among women and inclusive growth. We provide financial assistance through micro loans such as income generating loans to women engaged in small businesses. Delivering financial services to masses including underprivileged and disadvantaged people, living in the rural sectors of the Indian society at affordable terms, in quick turnaround time and with hassle-free processing is the aim of our financial inclusion drive

PRINCIPLE 5 :**Businesses should respect and promote human rights****Essential Indicators**

- 1 Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	6204	Nil	Nil	5225	Nil	Nil
Other than permanent	7662	Nil	Nil	5002	Nil	Nil
Total Employees	13866	Nil	Nil	10227	Nil	Nil

- 2 Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2023-24 Current Financial Year					FY 2022-23 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. F	% (F/D)
Employees										
Permanent	6204	3602	58.06%	2602	41.94%	5225	3161	60%	2064	40%
Male	5984	3489	58.31%	2495	41.69%	5039	3046	60%	1993	40%
Female	220	113	51.36%	107	48.64%	186	115	62%	71	38%
Other than permanent	7662	6874	89.72%	788	10.28%	5002	4440	89%	562	11%
Male	7354	6610	89.88%	744	10.12%	4840	4305	89%	535	11%
Female	308	264	85.71%	44	14.29%	162	135	83%	27	17%

- 3 Details of remuneration/salary/wages, in the following format:

- a. Median remuneration / wages:

Gender	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	8	Nil	2	Nil
Key Managerial Personnel	2	1,89,76,245	1	27,47,325
Employees other than BoD and KMP	13336	2,42,424	527	2,42,724
Workers	0	0	0	0

- b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Gross wages paid to females as % of total wages	4.11%	3.86%

- 4 Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes

5 Describe the internal mechanisms in place to redress grievances related to human rights issues.

Employees may register the grievance through call/ mail/HR 360 website/mobile application / Letter. The HR department will scrutinize the issue/concerns and after clarification from the complainant (if any), draft the note and put it forward before the designated person of the concerned department. The designated person of the concerned department will reply within 7 working days after receiving the note. HR Department will forward the reply to the complainant and explain the outcome of the grievance registered. The CEO of the company is always available in person to understand the concerns and grievances of employees.

6 Number of Complaints on the following made by employees and workers:

	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	0	0	0	0
Discrimination at workplace	0	0	0	0	0	0
Child Labour	0	0	0	0	0	0
Forced Labour/ Involuntary Labour	0	0	0	0	0	0
Wages	0	0	0	0	0	0
Other Human rights related issues	0	0	0	0	0	0
Others	229	0	0	290	0	0

7 Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees / workers	Nil	Nil
Complaints on POSH upheld	Nil	Nil

8 Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases

The company has Prevention of Sexual Harassment Policy in place to address the same and also an Internal Complaint Committee for addressing such cases.

9 Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes

10 Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	The Company is in compliance with the laws, as applicable
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

11 Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

NA

Leadership Indicators

- 1 Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

MML Communication Meet has been introduced after receiving response from the employees through internal survey. Through this interaction the company initiated first steps for the digital collection " PARIVATHAN".

- 2 Details of the scope and coverage of any Human rights due-diligence conducted.

NA

- 3 Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes

- 4 Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	NA
Wages	
Others – please specify	

- 5 Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

No such instance has been reported to the company

PRINCIPLE 6 :

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

- 1 Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2023-24 (Current Financial Year) (Giga Joules)	FY 2022-23 (Previous Financial Year) (Giga Joules)
From renewable sources		
Total electricity consumption (A)	NA	NA
Total fuel consumption (B)	NA	NA
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	0	0
From non-renewable sources		
Total electricity consumption (D)	15175.06	11503.63
Total fuel consumption (E)	NA	NA
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	15175.06	11503.63
Total energy consumed (A+B+C+D+E+F)	15175.06	11503.63
Energy intensity per rupee of turnover (Total energy consumed/ revenue from operations) (Turnover in ₹ crores)	6.68	8.05

Parameter	FY 2023-24 (Current Financial Year) (Giga Joules)	FY 2022-23 (Previous Financial Year) (Giga Joules)
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	-	-
Energy intensity in terms of physical output	-	-
Energy intensity (optional) - the relevant metric may be selected by the entity	-	-
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency	No	

2 Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

NA

3 Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water (tanker)	NA	NA
(iv) Seawater / desalinated water	-	-
(v) Water from municipal corporation	110912	88168
(vi) Water Bottles (litre X number of bottle) KL	8.72 (20 litre bottles x 436)	6.6 (20 litre bottles x 330)
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	110920.72	88174.6
Total volume of water consumption (in kilolitres)	110920.72	88174.6
Water intensity per rupee of turnover (Total water consumption / Revenue from operations) (Turnover in ₹ crores)	48.8	61.7
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	-	-
Water intensity in terms of physical output	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency	No	

4 Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Not Applicable

5 Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO2e	Company doesn't own vehicles and Diesel Generators	Company doesn't own vehicles and Diesel Generators
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO2e	3013.94	2284.75
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	tCO2e/Turnover in ₹ crore	1.33	1.6

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	-	-	-
Total Scope 1 and Scope 2 emission intensity in terms of physical output	-	-	-
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.			No

6 Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

NA

7 Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	NA	-
E-waste (B)	NA	-
Bio-medical waste (C)	NA	-
Construction and demolition waste (D)	NA	-
Battery waste (E)	586	-
Radioactive waste (F)	NA	-
Other Hazardous waste (Oil-soaked cotton waste, DG filters, paint cans, chemical cans, paint residue, oil sludge, DG chimney soot, coolant oil and used oil) . Please specify, if any. (G)	NA	-
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	51.06	-
Total (A+B + C + D + E + F + G + H)	637.06	
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations) (Turnover in ₹ crores)	0.28	-
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	-	-
Waste intensity in terms of physical output	-	-
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	17,028	-
(ii) Re-used	NA	-
(iii) Other recovery operations	NA	-
Total	17,028	-
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	NA	-
(ii) Landfilling	NA	-
(iii) Other disposal operations	NA	-
Total	NA	-
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency		No

8 Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes

Waste from Head Office, Regional Offices and branches are disposed off safely with support from City Corporation and Municipality waste disposal mechanism, without any environmental impact.

The wastes generated through the MML operations are e-waste, dry waste (primarily paper waste), and wet waste (primarily from the cafeteria). The company ensures that all wastes produced are disposed of responsibly, using approved & authorized waste contractors/recyclers.

- The repair and reuse of electronic devices are prioritized over disposal. When Electronic waste is generated, it is disposed through authorized personnel and ensure that no hazardous electronic waste is sent from the company to the landfill.
- MML is conscious of paper usage in its operations, transactions, and customer communications. Wherever possible, digital alternatives are introduced to reduce paper consumption, thereby reducing paper waste.
- Printing and photocopying operations by employees across offices are monitored and regulated in order to reduce the wastage of paper.
- The old records/documentation are responsibly disposed in ways that have the least impact on the environment.
- MML strive to reduce the use of all forms of plastic at offices, branches as well as in its promotional, marketing, and outreach events.
- MML ensures that the domestic waste (Sewage) from offices and branches is not let into water bodies untreated.

9 If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any
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NA

10 Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
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NA

11 Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No	Specify the law / regulation / guidelines which was not complied with	Provide details of the noncompliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
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NA

Leadership Indicators

- 1 Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)			
Total Scope 3 emissions per rupee of turnover Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			
Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency			No

The company is currently not capturing data on scope 3 emissions

- 2 With respect to the ecologically sensitive areas reported at Question 9 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

NA

- 3 If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
-------	-----------------------	--	---------------------------

NA

- 4 Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Muthoot Microfin Ltd has an effective Information Security Risk Assessment practice followed as part of its ISMS program, in which BCP requirements are also considered. The organization also has a Business Continuity Policy for its critical IT systems. Periodic Disaster Recovery Drills are also performed by the IT team to ensure that the BCP setup performs as per the design and plan.

The organisation's ability and readiness to manage business interruptions are evaluated in order to provide continuity of services at a minimum acceptable level and to safeguard the company's financial and competitive position in the short and the long term. The legal entities in the MPG have adopted ISO 22301:2012 as the standard based on which the BCMS is designed, implemented and monitored. In addition, the above Standard, the select clauses of the control group 17 of ISO 27002:2013 relating to Information Security Aspects of Business continuity has also been adopted.

- 5 Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard

NA

- 6 Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

NA

PRINCIPLE 7 :

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

- 1 a. Number of affiliations with trade and industry chambers/ associations.

The Company is a member of two industry chambers/ associations

- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State / National)
1	Microfinance Institution	National
2	Sa-Dhan	National

- 2 Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
NIL		

Leadership Indicators

- 1 Details of public policy positions advocated by the entity:

S. No	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
NIL					

PRINCIPLE 8 :

Businesses should promote inclusive growth and equitable development

Essential Indicators

- 1 Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NIL					

- 2 Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
NIL						

- 3 Describe the mechanisms to receive and redress grievances of the community.

There is a Customer Grievance Redressal mechanism in place for ensuring timely redressal of customer complaints.

- 4 Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	70%	70%
Directly sourced within India	100%	100%

- 5 Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Rural	86.72%	85.34%
Semi-urban	0	0
Urban	5.0%	6.15%
Metropolitan	8.28%	8.51%

Leadership Indicators

- 1 Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
NA	

- 2 Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In INR)
(a)		Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)	No
(b)		From which marginalized /vulnerable groups do you procure?	NA
(c)		What percentage of total procurement (by value) does it constitute?	NA

- 4 Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
				NIL

- 5 Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
		NIL

- 6 Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Smile Please Project	92	100
2	Blue Butterflies (Paediatric Cancer – Treatment & Nutrition Support)	30	100
3	Support for Sports training through MPCES	48	100
4	Rajasthan Skilling Project with RRF	450	100
5	Muthoot Volleyball Academy	120	100
6	Sports Instructure Project	Under construction phase	100
7	Education Support	1	100

PRINCIPLE 9 :

Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company is highly customer-centric and financial compliant organisation, Grievance Redressal Mechanism is governed by the following norms.

1. Clients are treated fairly at all times
2. Complaints raised by clients are dealt with courtesy and in a timely manner
3. Clients are informed of avenues to raise their queries and complaints within the organisation and their rights if they are not satisfied with the resolution of their complaints.
4. Queries and complaints are treated efficiently and fairly with a turnaround time defined and communicated to clients.
5. The grievance handling staffs work in good faith and without prejudice towards the interests of the clients

The Company provides a transparent and conclusive method of client grievance redressal – the first level is initiated from the branch itself, the second one with a toll-free number where customer can raise their complaints and queries and the third level through an Appellate Authority in the organisation in Head Office level.

Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	
Safe and responsible usage	NA
Recycling and/or safe disposal	

3 Number of consumer complaints in respect of the following:

	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	Nil	NA	-	Nil	NA	-
Advertising	-	-	-	-	-	-
Cyber-security	Nil	NA	-	Nil	NA	-
Delivery of Products	34	3	-	38	-	-
Quality of Products	2	-	-	3	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Other	604	18	-	392	8	-

4 Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls		
Forced recalls		NA

5 Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. MML has a board-approved cyber security policy. This policy is not publicly disclosed. The objective of this Policy is to proactively identify the Cyber threats and the risks manifested in information infrastructure and manage, mitigate, avoid, transfer, or accept the risks as per the risk appetite of the organization. MML also has a Privacy and personal data protection policy which is published in its website - <https://muthootmicrofin.com/wp-content/uploads/2023/01/PrivacyandPersonalDataProtectionPolicy.pdf>

- | | |
|---|--|
| <p>6 Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services</p> <p>NIL</p> | <p>2 Steps taken to inform and educate consumers about safe and responsible usage of products and/or services. Comprehensive Group training is given for 3 days to new customers and then the same is evaluated for adequate awareness during Group Recognition Test. The customer is educated again with the terms and conditions of loan at the time of loan sanction and the disbursements.</p> |
| <p>7 Provide the following information relating to data breaches:</p> <p>a. Number of instances of data breaches</p> <p>NIL</p> <p>b. Percentage of data breaches involving personally identifiable information of customers</p> <p>NIL</p> <p>c. Impact, if any, of the data breaches</p> <p>NIL</p> | <p>3 Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services</p> <p>We are in direct contact with the customers during our centre meeting and every information with relation to product or services is directly disseminated to the customers. Customers are also informed through customer apps, sms and auto call notifications.</p> <p>4 Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)</p> <p>Yes, all the loan related information is provided to the customer. Additionally, the customer is given loan card which also includes the terms and conditions of loan and the entire pricing sheet is given to the customer in the form of fact sheet. Additional source of information for the customer is through customer application and the company website.</p> |

Leadership Indicators

- 1 Channels / Platforms where information on products and services of the entity can be accessed (provide web link, if available).
- <https://muthootmicrofin.com/>
- Center meetings & Branches, Customer Support Service helpline and the Mahila Mitra mobile application

ANNEXURE - V

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis

There were no contracts or arrangements or transactions entered into by the Company during the financial year 2023-24 which were not at arm's length basis.

2. Details of contracts or arrangements or transactions at Arm's length basis

a) With Muthoot Fincorp Limited

SI No.	Particulars	Details
1.	Name (s) of the related party & nature of the relationship	Muthoot Fincorp Limited (Promoter & Holding Company)
2.	Nature of contracts/arrangements/ transaction	Commission payment for Bank Guarantee
3.	Duration of the contracts/ arrangements/ transaction	Two years tenure
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	Payment of commission to Muthoot Fincorp Limited for the service of extending Bank Guarantee of . 50 Lakhs towards the coverage of all claims that may arise in accordance with the provisions of the Consumer Protection Act, 2019, out of the agreement entered into by the group companies including Muthoot Microfin Limited, for engaging the services of Celebrity Mr. Shah Rukh Khan.
5.	Date of approval by the Board	10.08.2023
6.	Amount paid as advances, if any	NIL

b) With Credavenue Private Limited

SI No.	Particulars	Details
1.	Name (s) of the related party & nature of the relationship	Credavenue Private Limited (Interested Director)
2.	Nature of contracts/arrangements/ transaction	Onboarding and registering Muthoot Microfin Limited Credavenue's Yubi Platform
3.	Duration of the contracts/ arrangements/ transaction	Ongoing
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	Onboarding and registering Muthoot Microfin Limited on the Yubi Platform of Credavenue Private Limited and facilitating transactions like Direct Assignment, Securitization, on balance sheet funding, and Co-lending etc.
5.	Date of approval by the Board	29.01.2024
6.	Amount paid as advances, if any	NIL

c) With M-Liga Sports Excellence Private Limited

SI No.	Particulars	Details
1.	Name (s) of the related party & nature of relationship	M-Liga Sports Excellence Private Limited (Group Company)
2.	Nature of contracts/arrangements/ transaction	Sponsorship arrangement
3.	Duration of the contracts/ arrangements/ transaction	1 Year
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	Sponsorship arrangement with M/s. M-Liga Sports Excellence Private Limited for their team Kochi Blue Spikers, participating in the Prime Volleyball League Season-2 including for the title of 'Franchise Title Sponsor' that would include the rights to display Company's logo/monogram on TV visible spaces.
5.	Date of approval by the Board	29.01.2024
6.	Amount paid as advances, if any	NIL

For and on behalf of the Board of Directors

Kochi
06.05.2024

Thomas George Muthoot
Director
(DIN 00011552)

Thomas Muthoot
Managing Director
(DIN 00082099)

REPORT ON CORPORATE GOVERNANCE

Report on Corporate Governance of Muthoot Microfin Limited (MML/the Company) for the Financial Year ended March 31, 2024, as stipulated in the relevant provisions of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ('the Listing Regulations'), is set out below:

CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance is the application of best management practices, compliance with laws, rules, regulations and adherence to standards to achieve the objects of the Company, enhancing shareholder/investor value and discharging of social responsibility. The Company does not view Corporate Governance principles as a set of binding obligations but believes in using them as a framework to be followed in spirit.

Your Company's philosophy on code of governance is based on principles such as conducting the business with all integrity and fairness, being transparent with regard to all transactions, making all the necessary disclosures and decisions, complying with all the laws of the land, accountability and responsibility towards the stakeholders and commitment to conducting business in an ethical manner.

The Board of Directors (the Board) is responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short and long-term interests of shareholders and other stakeholders.

Muthoot Microfin Limited is committed to maintaining a high standard of corporate governance in complying with Companies Act, 2013, ("the Act"), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations"), Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions, 2023, Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022, Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015 and other relevant Circulars / Directions / Guidelines issued by the Reserve Bank of India ("RBI Guidelines").

BOARD OF DIRECTORS

I. Composition of the Board

As on March 31, 2024, the Company has ten Directors including one Executive Director (who is the Managing Director and also the Chairman), Five Independent Directors, and Four Non-Executive Non-Independent Directors. The composition of the Board is in conformity with Regulation 17(1) of the Listing Regulations and the

Act. All Independent Directors of the Company have been appointed as per the provisions of the Act, Listing Regulations, and the Governance Guidelines for Board Effectiveness adopted by the Company. Formal letters of appointment have been issued to the Independent Directors. The terms and conditions of their appointment are disclosed on the Company's website <https://muthootmicrofin.com/>

All the Independent Directors have declared that they meet the criteria of 'Independence' as required under the provisions of Section 149 of the Companies Act, 2013 (the 'Act') read with the provisions of Regulation 16 of the Listing Regulations.

None of the Directors held directorship in more than 20 (twenty) Indian companies, with no more than 10 (ten) public limited companies. In compliance with Section 165 of the Companies Act, 2013.

The directorship of all the Directors of the Company is in compliance with Regulation 17A of the Listing Regulations. None of the Directors held directorship in more than 7 (seven) listed companies. Further, none of the Independent Directors of the Company served as an Independent Director in more than 7 (seven) listed companies. None of the Independent Directors of the Company is serving as a whole-time director/managing director in any listed entity. Further, the Executive Director & Chief Executive Officer do not serve as an Independent Director in any listed company.

None of the Directors of the Company is a member of more than ten committees or Chairman of more than five committees across all public companies in which he/she is a Director, as per Regulation 26(1) of the Listing Regulations. All the Directors have made necessary disclosures regarding their directorships as required under Section 184 of the Act and on the Committee positions held by them in other companies.

The requisite quorum was present at all the Board and Committee meetings. Video conferencing facilities were used as and when required to facilitate Directors at other locations to participate at the meetings.

During the year under review the Board of Directors met Eleven (11) times on May 6, 2023, June 26, 2023, June 29, 2023, August 10, 2023, October 26, 2023, November 25, 2023 (Two Meetings), December 11, 2023, December 21, 2023, January 29, 2024 and March 25, 2024.

The names and categories of the Directors on the Board, their attendance at Board meetings held during the financial year and at the last AGM and the number of directorships and committee Chairmanships/ Memberships held by them in other public limited companies are given below:

Name	Category	No. of Board Meetings held and attended during FY 2023-24		Whether attended last AGM held on June 14, 2023
		Held	Attended	
Mr. Thomas Muthoot	Executive	11	11	Yes
Mr. Thomas George Muthoot	Non-Independent Non-Executive	11	11	Yes
Mr. Thomas John Muthoot	Non-Independent Non-Executive	11	11	Yes
Mr. John Tyler Day	Non-Independent Non-Executive	11	11	Yes
Mr. Akshaya Prasad	Non-Independent Non-Executive	11	11	Yes
Mr. Thai Salas Vijayan	Independent Non-Executive	11	11	Yes
Mr. Alok Prasad	Independent Non-Executive	11	11	No
Ms. Bhama Krishnamurthy	Independent Non-Executive	11	11	No
Ms. Pushpy B Muricken	Independent Non-Executive	11	11	Yes
Mr. Anand Raghavan	Independent Non-Executive	11	11	No

Name	No. of Directorships in other Indian Public Limited Companies ¹ (as on 31 st March 2024)	No. of Committee positions held in other Indian Public Companies ² (as on 31 st March 2024)		Number of Equity shares / Convertible Instruments ³ held (as on 31 st March 2024)
		Member	Chairman	
Mr. Thomas Muthoot	2	3	1	29,93,935
Mr. Thomas George Muthoot	2	3	1	29,81,749
Mr. Thomas John Muthoot	2	5	1	29,82,456
Mr. John Tyler Day	1	1	Nil	Nil
Mr. Akshaya Prasad	1	1	Nil	Nil
Mr. Thai Salas Vijayan	2	3	Nil	Nil
Mr. Alok Prasad	2	6	1	Nil
Ms. Bhama Krishnamurthy	6	7	Nil	Nil
Ms. Pushpy B Muricken	2	2	2	2,085
Mr. Anand Raghavan	2	4	3	Nil

¹Excluding Directorship in private limited companies, foreign companies and companies under Section 8 of the Act;

²Audit Committee and Stakeholders' Relationship Committee in Public Limited Companies alone are considered.

³None of the directors hold any convertible instruments of the Company.

The other Indian listed entities where Directors of the Company hold directorship as on March 31, 2024 are as follows:

Name of the Director	Other Indian Listed Entity Directorships	Category of Directorship
Mr. Thomas Muthoot	Muthoot Capital Services Limited	Non-executive
Mr. Thomas John Muthoot	Muthoot Capital Services Limited	Non-Executive Director
Mr. Thomas George Muthoot	Muthoot Capital Services Limited	Managing Director
Ms. Bhama Krishnamurthy	Thirumalai Chemicals Limited	Independent Director
	CSB Bank Limited	
	Network18 Media & Investments Limited	
	Cholamandalam Investment and Finance Company Limited	
	Five Star Business Finance Limited	
Mr. Alok Prasad	Arman Financial Services Limited	Independent Director
Mr. Thai Salas Vijayan	Shriram Properties Limited	Independent Director
Mr. Pushpy B Muricken	Service Care Limited	Independent Director
Mr. Anand Raghavan	Five Star Business Finance Limited	Independent Director

The Company has in place a policy on Board Diversity, which is being ensured through consideration of various factors including but not limited to skills, regional and industry experience, background and other qualities. The Directors have identified the list of core skills/expertise/competencies as required for them to function effectively as follows and the Board believes that Directors of the Company possess these skills/expertise/competencies, which helps the Company function effectively: Banking, Microfinance, Finance, Management, Business Development, Marketing, Audit, Legal, Risk Management, Information Technology etc.

Name of the Director	Area of skills/expertise/competence
Mr. Thomas Muthoot	Microfinance, Finance, Management, Business Development, Marketing, Risk Management
Mr. Thomas George Muthoot	Finance, Management, Business Development, Marketing, Risk Management
Mr. Thomas John Muthoot	Finance, Management, Business Development, Marketing, Risk Management
Mr. John Tyler Day	Microfinance, Finance, Management, Business Development, Marketing
Mr. Akshaya Prasad	Finance, Management, Business Development, Marketing
Mr. Thai Salas Vijayan	Finance, Audit, Legal, Management
Mr. Alok Prasad	Banking, Microfinance, Finance, Management, Risk Management, Regulatory & Compliance
Mrs. Bhama Krishnamurthy	Banking, Finance, Finance, Management, Business Development Management, Business Development, Risk Management, Regulatory & Compliance
Mrs. Pushpy B Muricken	Finance, Audit, Legal, Information Technology, Regulatory & Compliance
Mr. Anand Raghavan	Finance, Audit, Management, Regulatory & Compliance

The gap between two Board meetings did not exceed 120 days. The required information as enumerated in Part A of Schedule II of the Listing Regulations is made available to the Board of Directors for discussions and consideration at Board meetings.

The Company did not have any pecuniary relationship or transactions with Non-Executive Directors during the financial year ended March 31, 2024 except for payment of sitting fees and reimbursement of expenses incurred in the discharge of their duties.

The inter-se relationship between the Directors is as follows:

Name of Directors	Relationship
Mr. Thomas John Muthoot Mr. Thomas George Muthoot and Mr. Thomas Muthoot	Brothers

Information provided to Board of Directors

The Company provides complete information to the Board/ Committees by circulating detailed notes to agenda with sufficient notice well in advance of the date of the Board/ Committee meetings, except for the meetings called at shorter notice, if any.

The Company diligently ensures that the information furnished by Management to the Board is comprehensive and of a very high order. The Board reviews periodical compliances of all applicable laws, rules and regulations and the statements submitted by the Management. The members of the Board have a conducive environment to express their opinion on the Board matters and the decisions are taken after detailed deliberations.

Separate Meeting of Independent Directors

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of Management were held on March 26, 2024 as required under Schedule IV to the Act (Code for Independent Directors) and Regulation 25(3) of the Listing regulations. All independent Directors attended the meeting and the meeting discussed the following matters;

- review the performance of non-independent directors and the board of directors as a whole;
- review the performance of the chairperson of the Company, taking into account the views of executive directors and non-executive directors;

- assess the quality, quantity and timeliness of flow of information between the management of the Company and the Board that is necessary for the Board of directors to effectively and reasonably perform their duties; and
- other matters.

Familiarization Program for Independent Directors

The Company familiarizes its Independent Directors with the Company's business, strategy and operations, their roles, rights, responsibilities in the Company, the nature of the industry in which the Company operates, the business model of the Company, etc., through various programs. These include regular business updates in the Board Meetings, orientation program upon their induction as well as other initiatives to update the Directors on a continuing basis. The details of familiarization programs imparted to the Independent Directors are disclosed on the Company's website: <https://muthootmicrofin.com/stakeholders-information/?tab=1>

Confirmation regards to the independence of Independent Directors

In the opinion of the Board, the Independent Directors fulfill the conditions of independence as specified in the Listing Regulations and the Companies Act, 2013 and are independent of the Management. Further, the Independent Directors have in terms of Section 150 of the Act read with rules framed thereunder, confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs ('IICA').

II. Committees of Board

The Board has inter-alia, constituted the below committees as required under the Act, SEBI Regulations and RBI Guidelines to delegate particular matters that require greater and more focused attention in the affairs of the Company.

- A. Audit Committee
- B. Nomination and Remuneration Committee
- C. Stakeholders' Relationship Committee
- D. Risk Management Committee
- E. Corporate Social Responsibility Committee
- F. Asset Liability Management Committee
- G. Borrowings Committee
- H. Debenture Issue and Allotment Committee
- I. IT Strategy Committee

There were no instances during the year where the Board of Directors of the Company did not accept the recommendation of any of the Committees.

The Board takes all decisions pertaining to the constitution of committees, fixes the terms of reference of Committees and delegates powers from time to time. The Minutes of the Meetings are placed before the Board. The details of composition of these Committees, details of Meetings

held during the year and the related attendance, are provided below:

A. Audit Committee

The constitution of the Audit Committee is in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), as amended.

The Audit Committee inter-alia oversees the financial reporting process and reviews, with the Management, the financial statements to ensure that the same are correct and credible. The Audit Committee has the ultimate authority and responsibility to select and evaluate the Independent Auditors in accordance with the applicable laws. The Audit Committee also reviews performance of the Statutory Auditors, the Internal Auditors, adequacy of the internal control system and whistle-blower mechanism.

As on March 31, 2024, the Audit Committee comprised of six (6) members out of which four (4) are Independent Directors. During the Financial Year 2023-24, the Audit Committee was reconstituted on May 06, 2023, to comply with the applicable regulatory provisions and Mr. John Tyler, (DIN: 07298703), Mr. Thomas Muthoot (DIN: 00082099) and Mr. Thai Salas Vijayan (DIN: 00043959) ceased to be the members of the Audit Committee.

During the year under review the Audit Committee met Ten (10) times on May 5, 2023, June 29, 2023, August 9, 2023, October 26, 2023, November 25, 2023, November 28, 2023, December 11, 2023, January 18, 2024, January 29, 2024 and March 25, 2024. The requisite quorum was present at all the meetings. The list of Audit Committee members along with the their attendance in the Committee Meetings during the financial year 2023-24 is mentioned below:

Name of Director	Designation	No. of Committee Meetings attended during the Financial Year 2023-24	
		Held	Attended
Mrs. Pushpy B Muricken	Independent Chairperson	10	10
Mrs. Bhama Krishnamurthy	Independent Member	10	10
Mr. Alok Prasad	Independent Member	10	10
Mr. Thai Salas Vijayan*	Independent Member	1	1
Mr. Anand Raghavan	Independent Member	10	10
Mr. Thomas Muthoot*	Managing Director Member	1	1
Mr. Thomas John Muthoot	Non-Executive Member	10	10
Mr. John Tyler Day*	Non-Executive Member	1	1
Mr. Akshaya Prasad	Non-Executive Member	10	10

*Ceased to be the members of the Committee in accordance with Re-constitution of Audit Committee on May 6, 2023

The Audit Committee meetings are usually attended by the Managing Director, Chief Executive Officer, Chief Financial Officer, representatives of the Statutory Auditor and the Internal Auditors of the Company. The Company Secretary acts as the Secretary of the Audit Committee.

Minutes of the Audit Committee Meetings are circulated to the members of the Board, discussed and taken note of.

The Chairperson of the Audit Committee, Mrs. Pushpy B Muricken was present at the Annual General Meeting held on June 14, 2023. The Chairperson the Audit Committee

briefs the Board members about the significant discussions held at the Audit Committee meetings.

The Terms of reference as approved by the Board of Directors of the Company are given below:

1. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient, and credible.
2. Recommending to the Board the appointment, re-appointment and replacement, remuneration and

- terms of appointment of the statutory auditor of the Company and the fixation of audit fee.
3. Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of the audit process.
 4. Approving payments to statutory auditors for any other services rendered by the statutory auditors.
 5. 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, as amended.
 - 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; and
 - g. Modified opinion(s) in the draft audit report.
 6. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval.
 7. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/ application of the funds raised through the proposed Offer by the Company.
 8. Approval or any subsequent modifications of transactions of the Company with related parties.
 9. Scrutiny of inter-corporate loans and investments.
 10. Valuing of undertakings or assets of the Company, wherever it is necessary.
 11. Evaluation of internal financial controls and risk management systems.
 12. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances.
 13. Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems.
 14. 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.
 15. Discussing with internal auditors on any significant findings and follow up there on.
 16. 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.
 17. Discussing 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.
 18. Looking 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.
 19. Reviewing the functioning of the whistle blower mechanism.
 20. Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate,
 21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
 22. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹ 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; and
 23. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.

Powers of the Audit Committee

- a. To investigate any activity within its terms of reference;
- b. To seek information from any employee;
- c. To obtain outside legal or other professional advice;
- d. To secure attendance of outsiders with relevant expertise, if it considers necessary; and
- e. such powers as may be prescribed under the Companies Act and Listing Regulations and other applicable laws.

Mandatory review by Audit Committee

1. Management discussion and analysis of financial condition and results of operations;
2. Management letters/ letters of internal control weaknesses issued by the statutory auditors;
3. Internal audit reports relating to internal control weaknesses;
4. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee; and
5. Statement of deviations in terms of the SEBI Listing Regulations:
 - (a) quarterly statement of deviation(s) including the report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of regulation 32 (1) of the SEBI Listing Regulations; and
 - (b) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of regulation 32 (7) of the SEBI Listing Regulations.

6. To review the financial statements, in particular, the investments made by any unlisted subsidiary; and
7. Such information as may be prescribed under the Companies Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Vigil Mechanism/Whistle Blower Policy

The Board of Directors on the recommendation of the Audit Committee has approved and adopted a Whistle Blower Policy that provides a formal mechanism for all Directors and employees of the Company to approach the Chairman of the Audit Committee and make protective disclosure about the unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. No personnel have been denied access to the Audit Committee. The said Policy is available on the Company's website <https://muthootmicrofin.com>

B. Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee is constituted in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has a Board-approved Nomination and Remuneration Policy in place. The policy is placed in the website of the Company. Web Link: <https://muthootmicrofin.com/disclosures/>

As on March 31, 2024, the Nomination and Remuneration Committee comprised of six (6) members out of which four (4) are Independent Directors. During the Financial Year 2023-24, the Nomination and Remuneration Committee was reconstituted on May 06, 2023, to comply with the applicable regulatory provisions and Mr. Akshaya Prasad, (DIN: 02028253) ceased to be the members of the Committee from the said date.

During the year 2023-24 the Nomination and Remuneration Committee met Six (6) times on May 5, 2023, June 26,

2023, August 9, 2023, January 18, 2024, January 29, 2024 and March 25, 2024. The requisite quorum was present at all the meetings. The list of Nomination and Remuneration Committee members along with the attendance during the financial year 2023-24 is mentioned below:

Name of Director	Designation	No. of Committee Meetings attended during the Financial Year 2023-24	
		Held	Attended
Mr. Thai Salas Vijayan	Independent Chairman	6	6
Mrs. Bhama Krishnamurthy	Independent Member	6	6
Mr. Alok Prasad	Independent Member	6	6
Mr. Thomas John Muthoot	Non-Executive Member	6	6
Mr. John Tyler Day	Non-Executive Member	6	6
Mr. Akshaya Prasad*	Non-Executive Member	1	1
Mr. Anand Raghavan	Independent Member	6	6

*Ceased to be the members of the Committee in accordance with Re-constitution of Nomination and Remuneration Committee on May 6, 2023

The Chairman of the Nomination and Remuneration Committee, Mr. Thai Salas Vijayan was present at the Annual General Meeting held on June 14, 2023.

Annual Evaluation of Board, Committees, and Individual Directors

In accordance with the provisions of Section 178 of the Act and Part D to Schedule II of SEBI Listing Regulations, the Company has devised a process and criteria for performance evaluation, as recommended by the Nomination and Remuneration Committee ("the NRC") and approved by the Board.

The evaluation process is carried out by collecting feedback from each of the Directors /committee members about the Board/committee's performance and feedback about each of the other directors. Details with respect to annual evaluation of Board, Committee and Individual Directors are covered under the Directors' Report which forms part of the Annual Report.

The terms of reference of the Nomination and Remuneration Committee include the following:

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors of the Company a policy relating to the remuneration of the Directors, key managerial personnel and other employees ("Remuneration Policy"). The Nomination and Remuneration Committee, while formulating the Remuneration policy, should ensure that:
 - i. the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
 - ii. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - iii. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
2. formulation of criteria for evaluation of performance of independent directors and the Board;
3. for every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment

as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- i. use the services of an external agencies, if required;
 - ii. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - iii. consider the time commitments of the candidates.
4. devising a policy on Board diversity;
 5. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out evaluation of every director's performance (including independent directors);
 6. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
 7. recommend to the Board, all remuneration, in whatever form, payable to senior management;
 8. carrying out any other activities as may be delegated by the Board of Directors and functions required to be carried out by the Nomination and Remuneration Committee as provided under the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

C. Stakeholders Relationship Committee

The Stakeholders Relationship Committee is constituted in compliance with the provisions of Section 178(5) of the Companies Act, 2013 and Regulation 20 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

As on March 31, 2024, the Stakeholders Relationship Committee comprises of three (3) directors, out of which one (1) is under independent category. During the Financial Year 2023-24, the Stakeholders Relationship Committee was reconstituted on June 26, 2023, to comply with the applicable regulatory provisions and Mr. Sadaf Sayeed, Chief Executive Officer and Mr. Praveen T, Chief Financial Officer ceased to be the members of the Committee from the said date.

During the year 2023-24 the Stakeholders Relationship Committee met Two (2) times on August 10, 2023 and

March 25, 2024. The requisite quorum was present at all the meetings. The list of Stakeholders Relationship Committee members along with the attendance during the financial year 2023-24 is mentioned below:

Name of Director	Designation		No. of Committee Meetings attended during the Financial Year 2023-24	
			Held	Attended
Mr. Thomas John Muthoot	Non-Executive	Member	2	2
Mr. Alok Prasad	Independent	Member	2	2
Mr. Thomas Muthoot	Managing Director	Member	2	2
Mr. Sadaf Sayeed*	Chief Executive Officer	Member	-	-
Mr. Praveen T*	Chief Financial Officer	Member	-	-

*Ceased to be the members of the Committee in accordance with Re-constitution of Stakeholders Relationship Committee on June 26, 2023

The Chairman of the Stakeholders' Relationship Committee, Mr. Thomas John Muthoot was present at the Annual General Meeting held on June 14, 2023.

The terms of reference of the Stakeholders Relationship Committee include the following:

- Resolving the grievances of the securities holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;
- Review of measures taken to exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent;
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company; and
- Carrying out any other function required to be carried out by the Stakeholders' Relationship Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

Name and Designation of the Compliance Officer:

Neethu Ajay

Chief Compliance Officer & Company Secretary
5th Floor, Muthoot Towers, M.G Road
Cochin, Kerala – 682035

Tel: +91 484 – 4277580

Email: neethu.ajay@muthootmicrofin.com

Details of investor complaints received and redressed during the Financial Year 2023-24 are as under:

Particulars	No. of Complaints
Pending at the beginning of the year	Nil
Add: Received during the year:	903
1. No. of Direct Complaint	868
2. No. of Complaints received through SEBI Scores	30
3. No. of Complaints received through Exchanges:	5
Less: Disposed during the year	903
Pending Complaints at the end of the year	Nil

D. Risk Management Committee

The Risk Management Committee is constituted in compliance with the provisions of the Companies Act, 2013, Regulation 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and RBI Circular DNBR (PD) CC.No.053/03.10.119/2015-16 July 01, 2015.

The Company follows well-established and detailed risk assessment and minimization procedures as prescribed under applicable laws. The functions of the Risk Management Committee include monitoring and reviewing risk management plan, risk management policy, operational risk, Credit risk, integrity risk, cyber security risk etc., and initiating strategic actions in mitigating risk associated with the business. The risk assessment and mitigation measures are reviewed by the risk management committee periodically. The Company has a Board approved Risk Management Policy in place.

As on March 31, 2024, the Risk Management Committee comprises of Six (6) members, out of which two (2) are under independent category. During the year 2023-24 the risk Management Committee met Three (3) times on May 26, 2023, January 25, 2024 and March 25, 2024. The requisite quorum was present at all the meetings. The list of Risk Management Committee members along with the attendance during the financial year 2023-24 is mentioned below:

Name of Director	Designation		No. of Committee Meetings attended during the Financial Year 2023-24	
			Held	Attended
Mr. Thomas John Muthoot	Non-Executive Director	Member	3	3
Mr. Thomas George Muthoot	Non-Executive Director	Member	3	3
Mr. Thomas Muthoot	Executive Director	Member	3	3
Mr. Alok Prasad	Independent Director	Member	3	3
Mrs. Bhama Krishnamurthy	Independent Director	Member	3	3
Mr. Sadaf Sayeed	Chief Executive Officer	Member	3	3

The Company has appointed Mr. Jinsu Joseph as the Chief Risk Officer and he is a permanent invitee to the Committee Meetings.

The terms of reference of the Risk Management Committee include the following:

- To monitor and review the risk management plan;
- To review operational risk
- To take strategic actions to mitigate the risk associated with the nature of the business;
- To appraise the Board of Directors at regular intervals regarding the process of putting in place a progressive risk management system, risk management policy and strategy;

E. Corporate Social Responsibility Committee (CSR)

CSR Committee is constituted in compliance with the provisions of Section 135 of the Companies Act, 2013. The Company has a Board approved Corporate Social Responsibility Policy in place.

As on March 31, 2024, the Corporate Social Responsibility Committee comprises of Four (4) Directors, out of which one (1) member is under independent category. During the year 2023-24 the CSR Committee met one (1) time on January 18, 2024. All the members were present at the meeting. The list of CSR Committee members is mentioned below:

Name of Director	Designation	
Mr. Thomas Muthoot	Executive Director	Member
Mr. Thomas George Muthoot	Non-Executive	Member
Mr. Thomas John Muthoot	Non-Executive	Member
Mr. Alok Prasad	Independent	Member

The terms of reference of the CSR Committee are in accordance with Section 135 (3) of the Companies Act, 2013 and include the following:

- Formulate and recommend to the Board, a Corporate Social Responsibility policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, as amended
- Recommend the amount of expenditure to be incurred on the CSR activities referred to in (1) above;
- Monitor the Corporate Social Responsibility policy of the Company and its implementation from time to time; and
- Any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time and/or as may be required under applicable law, as and when amended from time to time.

F. Asset Liability Management Committee (ALCO)

The Company has constituted an Asset Liability Management Committee in terms of RBI Circular DNBR (PD) CC.No.053/03.10.119/2015-16 July 03, 2015. The Company complies with the provisions prescribed under the Guidelines on Liquidity Risk Management Framework in the NBFC Scale Based Regulations

ALCO is vested with the responsibility of monitoring the risk and making suitable strategies to control it and the Company has a Board approved Asset Liability Management Policy in place.

As on March 31, 2024, the ALCO comprises of Four (4) members, out of which One (1) member is the Chief Executive Officer of the Company. During the year 2023-24 the ALCO met Four (4) times on May 5, 2023, August

8, 2023, October 25, 2023 and January 27, 2024. The requisite quorum was present at all the meetings. The list of ALCO Committee members along with the attendance during the financial year 2023-24 is mentioned below:

Name of Members	Designation		No. of Committee Meetings attended during the Financial Year 2023-24	
			Held	Attended
Mr. Thomas John Muthoot	Non-Executive Director	Member	4	4
Mr. Thomas George Muthoot	Non-Executive Director	Member	4	4
Mr. Thomas Muthoot	Executive Director	Member	4	4
Mr. Sadaf Sayeed	Chief Executive Officer	Member	4	4

The terms of reference of the ALCO include the following:

1. Addressing concerns regarding asset liability mismatches.
2. Achieving an optimal return on capital employed while maintaining acceptable levels of risk relating to liquidity;
3. Addressing concerns regarding interest rate risk exposure; and
4. Review the periodical returns submitted to RBI every year;
5. Monitor and review the cost of funds and the net interest margin;
6. To do such other acts, deeds and things as may be directed by the Board and required to comply with the applicable laws.

G. Borrowing Committee

The Company has constituted a Borrowing Committee to exercise the powers with respect to the borrowing of money (otherwise than by issue of debentures) and matters connected therewith within the limit as approved by the Shareholders of the Company.

As on March 31, 2024, the Borrowing Committee comprises of Mr. Thomas Muthoot, Managing Director, Mr. Thomas John Muthoot, Non-Executive Director, Mr. Sadaf Sayeed, Chief Executive Officer and Mr. Praveen T, Chief Financial Officer of the Company.

During the year 2023-24 the Borrowing Committee met Nineteen (19) times i.e, on May 17, 2023, May 30, 2023, June 26, 2023, July 17, 2023, July 25, 2023, July 27, 2023, August 21, 2023, August 25, 2023, August 30, 2023, September 15, 2023, September 26, 2023, October 27, 2023, November 20, 2023, November 24, 2023, December 29, 2023, January 30, 2024, February 29, 2024, March 13, 2024 and March 27, 2024. All the members were present at the meetings held during the year.

The terms of reference of the Borrowing Committee include the following:

1. To borrow any amounts within the limit of Borrowing Powers of the Company
2. To Invest the funds of the Company
3. To grant loans or give guarantee or provide security in respect of loans;
4. To assign/ sell the loan portfolio of the Company to any Banks/ Financial Institution
5. To open and operate Bank accounts
6. To sub-delegate its powers to the officers/ representatives of the Company, and
7. Other matters which are not expressly restrained by Section 179 of the Companies Act, 2013

H. Debenture Issue and Allotment Committee

The Company has constituted a Debenture Issue and Allotment Committee to determine and approve and to exercise all the powers of the Board deemed necessary or desirable in connection with the Issue and allotment of Debentures.

As on March 31, 2024, the Debenture Issue and Allotment Committee comprises of Mr. Thomas Muthoot, Managing Director, Mr. Thomas John Muthoot, Non-Executive Director and Mr. Thomas George Muthoot, Non-Executive Director of the Company.

During the year 2023-24 the Debenture Issue and Allotment Committee met Six (6) times i.e, on May 26, 2023, June 05, 2023, June 26, 2023, July 7, 2023, July 25, 2023 and August 1, 2023. All the members were present at the meetings held during the year.

The terms of references of the Debenture Issue and Allotment Committee includes the following:

1. Identifying the select group of persons to whom Debentures on Private Placement will be made;
2. Determining the number of tranches/series in which the Debentures on Private Placement and/or Debentures on Public Issue shall be raised;

3. Appoint debenture trustees to act for and on behalf of the holders of the Debentures on Private Placement and/or Debentures on Public Issue under each tranche/series;
4. Finalizing the terms and conditions upon which each tranche/series of the Debentures on Private Placement and/or Debentures on Public Issue shall be issued;
5. Procure rating for the Debentures on Private Placement and/or Debentures on Public Issue under each tranche/series from an accredited rating agency;
6. Determining the security to be provided in relation to each tranche/series of the Debentures on Private Placement and/or Debentures on Public Issue as determined from time to time;
7. Authorising persons to execute/ caused to be executed/issue the information memorandum, debenture trust deed, debenture trustee agreement and the security documents such as the deed of hypothecation, mortgage deed and the relevant power(s) of attorney to be entered into between the Company and the debenture trustee, and such other documents as may be required to be entered into in relation to each tranche/series the Debentures on

Private Placement and/or Debentures on Public Issue and authorizing affixing of common seal; and

8. Allotment of the Debentures on Private Placement and/or Debentures on Public Issue.

I. IT Strategy Committee

The Company has an IT Strategy Committee in compliance with Master Direction No DNBS. PPD. No. 04/66.15.001/2016-17 dated June 08, 2017 (Master Direction - Information Technology Framework for the NBFC Sector) and Master Direction DoS.CO.CSITEG/SEC.7/31.01.015/2023-24 dated November 7, 2023 Master Direction - Information Technology Governance, Risk, Controls and Assurance Practices) issued by the Reserve Bank of India to carry out the review of IT strategies in line with the corporate strategies of the Company, Board Policy reviews, cyber security arrangements and other matters related to IT Governance.

As on March 31, 2024, the IT Strategy Committee comprises of Ms. Pushpy B Muricken, Independent Director, Mr. Thomas Muthoot, Managing Director, Mr. Thomas George Muthoot, Non-Executive Director and Mr. Linson C Paul, Chief Technology Officer of the Company. The IT Strategy Committee met Two (2) times i.e, on July 10, 2023 and January 08, 2024 during the year under review and the requisite quorum was present at all the meetings.

During the Financial Year 2023-24, the IT Strategy Committee was reconstituted on March 25, 2024, to comply with the applicable regulatory provisions

The list of IT Strategy Committee members along with the attendance during the financial year 2023-24 is mentioned below:

Name of Members	Designation	No. of Committee Meetings attended during the Financial Year 2023-24	
		Held	Attended
Mrs. Pushpy B Muricken	Independent Director	2	2
Mr. Thomas Muthoot	Managing Director	2	2
Mr. Thomas George Muthoot*	Non- Executive Director	-	-
Mr. Linson C Paul	Chief Technology Officer	2	2

* Inducted as member of the Committee in accordance with Re-constitution of IT Strategy Committee on March 25, 2024.

The terms of reference of the IT Strategy Committee include the following:

1. Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;
2. Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;
3. Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
4. Monitoring the method that management uses to determine the IT resources needed to achieve

strategic goals and provide high-level direction for sourcing and use of IT resources;

5. Ensuring proper balance of IT investments for sustaining NBFC's growth and becoming aware about exposure towards IT risks and controls

III. Remuneration of Directors

The company has not paid any remuneration to its directors during the period except sitting fees paid to the Independent Directors for attending the Board and Committee meetings. Details of the same forms part of the Related Party Transaction Note 36 of the Financial Statement.

IV. General Body Meetings

Details of last three Annual General Meeting held are given below;

Annual General Meeting	Date	Time	Venue
31 st AGM	June 14, 2023	05.50 P.M	Video Conferencing
30 th AGM	August 24, 2022	05.30 P.M	Video Conferencing
29 th AGM	September 29, 2021	04.30 P.M	Video Conferencing

All resolutions moved at the last three AGMs were passed with the requisite majority by the shareholders.

The following are the special resolutions passed at the Annual General Meeting held during the last three years:

Annual General Meeting held on	Special Resolution Passed	Summary
June 14, 2023	Yes	<ol style="list-style-type: none"> 1. Re-appointment of Mrs. Pushpy B Muricken (DIN: 03431198), as an Independent Director of the Company for the second term of 5 years. 2. Re-appointment of Mr. T S Vijayan (DIN: 00043959) as an Independent Director of the Company for the second term of 5 years. 3. Re-appointment of Mrs. Bhama Krishnamurthy (DIN: 02196839) as an Independent Director of the Company for the second term of 5 years. 4. Approval of Initial Public Offer of Equity Shares of the Company. 5. Increase in the authorized share capital of the company and amendment of the capital clause of the Memorandum of Association.
August 24, 2022	Yes	<ol style="list-style-type: none"> 1. Re-appointment of Mr. Alok Prasad (DIN: 00080225) as an independent director of the company for a second term of 5 years. 2. Approval of the 'Muthoot Microfin Limited Employee Stock Option Plan 2022 3. Issue, offer and allotment of Equity Shares on a preferential basis to Muthoot Microfin Limited Employee Welfare Trust. 4. Issue, offer and allotment of Equity Shares on a preferential basis to Muthoot Microfin Limited Employee Welfare Trust. 5. Approval of grant of loan to the MML Employee Welfare Trust upto a limit of 27,21,57,992.82/- (Indian Rupees Twenty Seven Crores Twenty One Lakhs Fifty Seven Thousand Nine Hundred and Ninety Two and Eighty Two Paise only) 6. Enhancement of borrowing limits from 7,500 Crores to 10,000 Crores. 7. Approval of creation of charge on the assets/receivables of the Company not exceeding 10,000 Crores.
September 29, 2021	Yes	<ol style="list-style-type: none"> 1. Appointment of M/s. Haribhakti & Co. LLP, Chartered Accountants as Statutory auditors of the Company in place of the retiring auditors. 2. Amendment of Employees Stock Option Plan 2016 to increase the number of stock options by 1,78,114 equity shares to a total of 14,15,614 options. 3. Enhancement of borrowing limits from existing ₹ 4,000 Crores to ₹ 7,500 Crores. 4. Authorisation to pledge, Mortgage and create charge in all or any movable or immovable assets / receivables and/or the whole of the undertaking of the Company to secure the amount borrowed by the Company or any third party from time to time to the maximum extent of ₹ 7,500 Crores.

There were no resolutions passed through postal ballot during the last financial year and there is no special resolution proposed to be conducted through postal ballot.

V. Means of Communications

The quarterly, half-yearly, and annual financial results along with the press release, Annual Report, and Investor Presentation made to the Investors/Analysts are hosted on the website of the Company at <https://muthootmicrofin.com/investor-relations/>.

Prior to the listing of equity shares, the financial results are submitted to the BSE Limited in accordance with Regulation 52 of the Listing Regulations and published quarterly in leading newspapers Business Standard (English), Navshakti (Marathi) and Mangalam (Malayalam) giving adequate coverage of the financial results in accordance with Regulation 52 (8) of the Listing Regulations.

The Equity shares of the Company are listed in the BSE Limited and the National Stock Exchange of India Limited (NSE) with effect from December 26, 2023. Since the

listing, the reports/information mentioned above are filed by the Company from time to time with both the stock exchanges and are made available on the website at <https://muthootmicrofin.com>, in accordance with the Listing Regulations.

Corporate Filings with Stock Exchanges

The Company is regular in filing various reports, certificates, intimations, etc. to the BSE Limited and National Stock Exchange of India Limited. This includes filing of audited and unaudited financial results, shareholding pattern, Report on Corporate Governance, intimation of Board Meeting/general meeting and its proceedings.

Investor Service

The Company has authorised KFin Technologies Limited, Registrar and Share Transfer Agent of the Company to attend to the investors' grievances. The Company also provides all necessary assistance to the Registrar and Share Transfer Agent in resolving various investor grievances. Details of the Registrar and Share Transfer Agent is covered under the 'General Shareholders Information' mentioned below.

VI. General shareholder Information

Annual General Meeting	Date
Annual General Meeting Day, Date and Time	Thursday, July 18, 2024 at 3.00 P.M. (IST)
Annual General Meeting – Venue	In accordance with General Circulars issued by the Ministry of Corporate Affairs, Circular No. 20/2020 dated May 5, 2020, General Circular No. 02/ 2022 dated May 05, 2022 and General Circular No. 70/ 2022 dated December 28, 2022 and General Circular No. 09/2023 dated September 25, 2023, AGM of the Company will be held through Video Conferencing/ Other Audio Visual Means.
Financial Year	April 1, 2023 to March 31, 2024
Dividend Payment Date	No Dividend declared
Listing on Stock Exchanges	As on March 31, 2024, the Company has listed its Equity shares on the BSE Ltd. and the National Stock Exchange of India Limited. Also, the Company's Privately Placed Non-Convertible Debentures are listed on the BSE Limited ("BSE").
Address of Stock Exchanges	BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal street, Mumbai – 400001 National Stock Exchange of India Ltd. Exchange plaza, 5 th Floor, Plot No. C/1, G Block, Bandra-Kurla complex, Bandra – East, Mumbai – 400051
Stock Code	BSE – 544055 NSE – MUTHOOTMF
ISIN	INE046W01019
Listing Fees	The Company has paid annual listing fees to BSE Ltd. and to National Stock Exchange of India Limited (NSE) for financial years 2023-24 and 2024-25.
Registration details	The Company is registered in the State of Maharashtra. CIN of the Company is L65190MH1992PLC066228. The Company being a Nonbanking financial Company - Micro Finance Institution (NBFC – MFI), is registered with the Reserve Bank of India (Certificate of Registration Number: 13.00365).

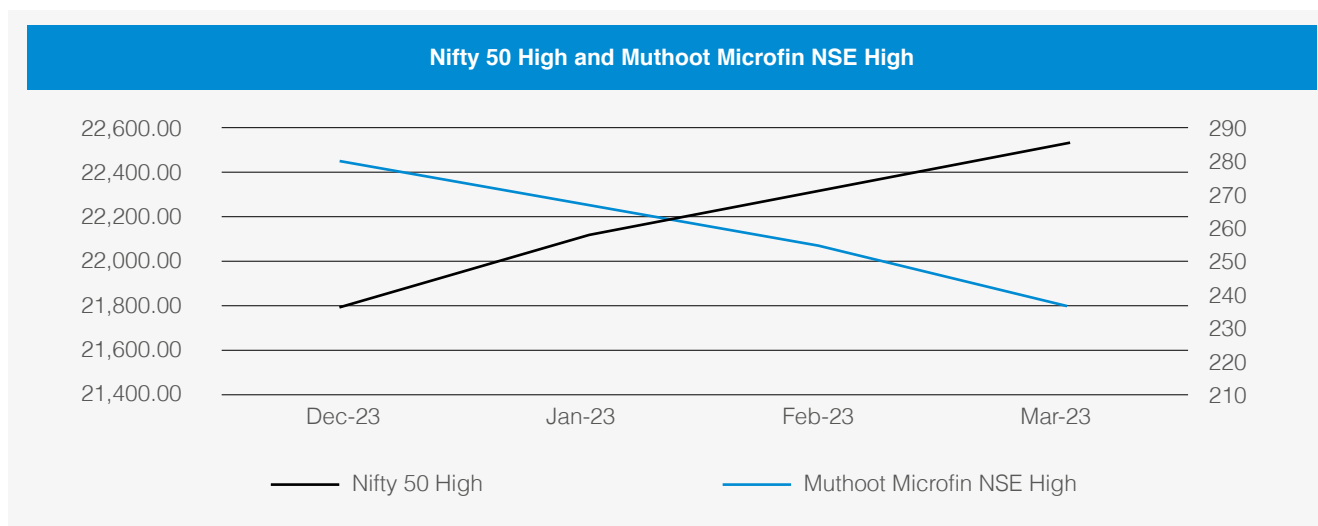
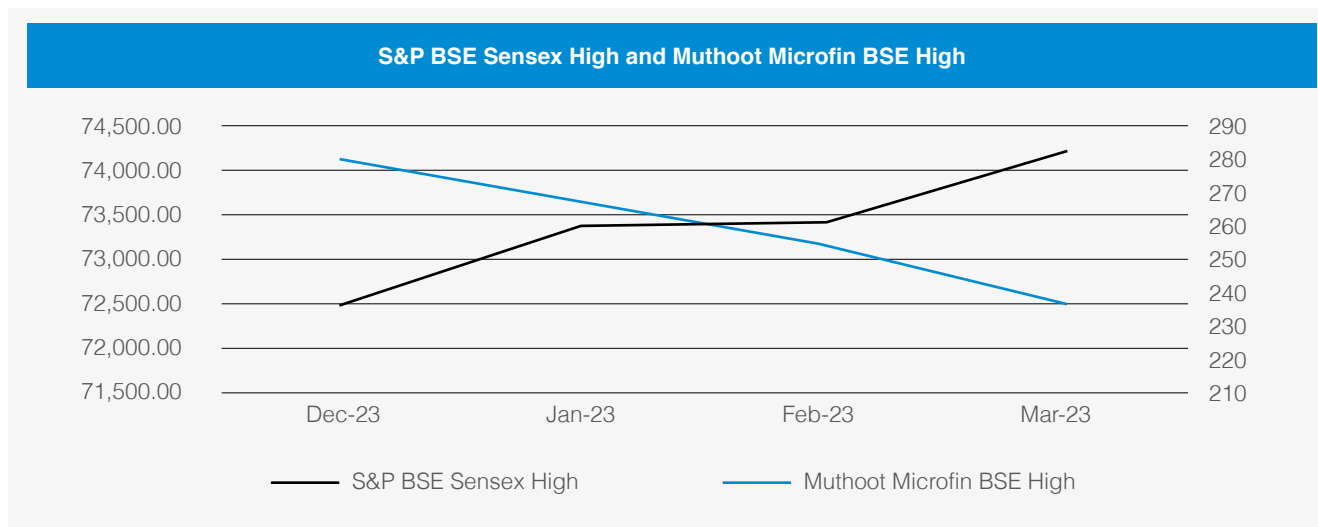
Annual General Meeting	Date	
ISIN and Value of Privately Placed Non Convertible Debentures	BSE – NCDs	Value (₹ in Millions.)
	INE046W07214	700.00
	INE046W07065	700.00
	INE046W07115	225.00
	INE046W07172	380.00
	INE046W07180	1,120.00
	INE046W07198	932.00
	INE046W07222	1,000.00
	INE046W07230	800.00
	INE046W07230	800.00
	INE046W07248	1,500.00
	INE046W07255	750.00
INE046W07263	750.00	
	TOTAL	9,657.00
Debenture Trustee Details	<p>Catalyst Trusteeship Limited Office No.83-87, 8th Floor, B Wing, Mittal Tower, Nariman Point, Mumbai-400021, Tel: +91(022)4922 0555</p> <p>Vardhman Trusteeship Pvt Ltd. The Capital, A Wing, 412A, Bandra Kurla Complex, Bandra (East) Mumbai 400 051. Tel: 022-42648335</p>	
Registrar and Share transfer Agent	<p>KFin Technologies Limited (Formerly known as KFin Technologies Private Limited) CIN: U72400TG2017PLC117649 SEBI Registration Number: INR000000221 Office Address: Selenium Building, Tower-B, Plot No-31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana, India – 500 032 Tel: +91 4067162222 Toll-free: 1800 309 4001 E-mail: einward.ris@kfintech.com Website: www.kfintech.com</p>	
Share Transfer system & Dematerialization of shares and liquidity (as on March 31, 2024)	SEBI vide Notification dated June 8, 2018 had restricted effecting transfer of shares in physical form with effect from April 01, 2019. As on March 31, 2024, 100% shareholding was in Dematerialised mode.	
Plant Location	Being a NBFC-MFI (Financial Service Company), the Company has no plant locations.	

Market price data-high, low during each month in the Financial Year 2023-24 after listing of Equity Shares

Monthly high and low quotations during each month during the Financial Year 2023-24 after listing at the National Stock Exchange of India Ltd. and BSE Ltd. are as follows:

Month	National Stock Exchange of India Limited		BSE Limited	
	High Price	Low Price	High Price	Low Price
December 2023	281.00	250.40	280.80	250.30
January 2024	266.80	227.45	266.55	227.45
February 2024	254.90	228.00	254.60	228.25
March 2024	237.10	196.60	237.00	196.10

Movement of Company share in comparison to Broad base indices such as BSE – Sensex, Nifty 50 etc.



Distribution Schedule of shareholding as on March 31, 2024

Distribution Schedule					
Category (Amount)	No. of Shareholders	% of Shareholders	Total Shares	Amount	% of Amount
1-5000	1,80,341	96.310795	1,16,65,153	11,66,51,530	6.842046
5001- 10000	5,119	2.733793	37,81,846	3,78,18,460	2.218193
10001- 20000	986	0.526572	14,51,598	1,45,15,980	0.851416
20001- 30000	296	0.158078	7,45,396	74,53,960	0.437202
30001- 40000	134	0.071562	4,80,368	48,03,680	0.281754
40001- 50000	105	0.056075	4,94,872	49,48,720	0.290261
50001- 100000	148	0.079039	10,94,243	1,09,42,430	0.641814
100001& Above	120	0.064086	15,07,78,700	1,50,77,87,000	88.437313
Total	1,87,249	100.00	17,04,92,176	1,70,49,21,760	100.00

Category of Shareholders as on March 31, 2024

Category	No. of Holders	Total Shares	% To Equity
PROMOTERS	7	9,45,65,832	55.466376
FOREIGN INSTITUTIONAL INVESTORS	2	3,88,09,387	22.763148
RESIDENT INDIVIDUALS	1,80,645	2,34,83,589	13.773998
FOREIGN PORTFOLIO - CORP	19	59,98,186	3.518159
QUALIFIED INSTITUTIONAL BUYER	13	39,64,548	2.325355
BODIES CORPORATES	292	17,19,758	1.008702
H U F	5,403	9,32,562	0.546982
KEY MANAGEMENT PERSONNEL	3	6,15,976	0.361293
NON RESIDENT INDIANS	515	2,52,484	0.148091
NON RESIDENT INDIAN NON REPATRIABLE	344	1,04,386	0.061226
MUTUAL FUNDS	2	35,902	0.021058
NBFC	2	6,714	0.003938
CLEARING MEMBERS	1	2,802	0.001643
TRUSTS	1	50	0.000029
Total	1,87,249	17,04,92,176	100.00

Outstanding global depository receipts, or warrants or convertible instruments

Particulars	No of Securities	Conversion Date	Impact on equity shares
ADR			
GDR			
Warrants	Nil	Nil	Nil
Compulsorily Convertible Preference Shares			

Commodity price risk or foreign exchange risk and hedging activities

Since the Company is into the business of Microfinance, except for the market risk associated with the natural calamities like drought, Flood etc, there was no direct exposure for the Company to the Commodity Price Risk.

Foreign exchange risk and hedging activities

The Company has raised funds by the way of External Commercial Borrowings which are foreign currency loans. The repayment liability is also in foreign currency. The amount of ECB availed as on 31.03.2024 are as follows:

Amount	Cost of fund (Including hedging cost)	Date of repayment
US \$ 15 Million	12.48%	Partial Repayment on October 7, 2024, October 7, 2025, and October 7, 2026
US \$ 10 Million	12.48%	Partial Repayments on November 22, 2024, November 24, 2025 and November 23, 2026
US \$ 10 Million	12.25%	October 19, 2028
US \$ 25 Million	9.90%	June 21, 2027

Further, in order to mitigate the exchange rate risk associated with the interest and principal repayments of ECBs, the Company have entered into hedging transactions with Federal Bank and Standard Chartered Bank. The details of which are as follows:

Bank	Amount of forex liability covered
Federal Bank Ltd	US \$ 25 Million
Standard Chartered Bank	US \$ 35 Million

Address for Correspondence**Muthoot Microfin Limited**

CIN: L65190MH1992PLC066228

Administrative Office: 5th Floor, Muthoot Towers, M.G Road, Kochi - 682035**Registered Office:** 13th Floor, Parinee Crescenzo, Bandra Kurla Complex, Bandra East, Mumbai – 400051

Credit Rating

Sr. No.	Name of the Instrument	Name of Credit Rating Agency	Amount Rated (Face Value) (₹ million)	Current Rating	Previous Rating
1	Bank Lines	CRISIL	1,00,000.00	A+/Stable	A+/Stable
2	Principal Protected Market Linked Debenture	CRISIL	700.00	A+/Stable	A+/Stable
3	Non convertible debentures	CRISIL	700.00	A+/Stable	A+/Stable
4	Non convertible debentures	CRISIL	225.00	A+/Stable	A+/Stable
5	Non convertible debentures	CRISIL	380.00	A+/Stable	A+/Stable
6	Non convertible debentures	CRISIL	1,120.00	A+/Stable	A+/Stable
7	Non convertible debentures	CRISIL	932.00	A+/Stable	A+/Stable
8	Principal Protected Market Linked Debenture	CRISIL	1,000.00	A+/Stable	A+/Stable
9	Non convertible debentures	CRISIL	800.00	A+/Stable	A+/Stable
10	Non convertible debentures	CRISIL	800.00	A+/Stable	A+/Stable
11	Non convertible debentures	CRISIL	1,500.00	A+/Stable	A+/Stable
12	Non convertible debentures	CRISIL	750.00	A+/Stable	A+/Stable
13	Non convertible debentures	CRISIL	750.00	A+/Stable	A+/Stable

VII. Other Disclosures

- a) Transactions with related parties are disclosed in the Notes to the Standalone Balance Sheet and Statement of Profit and Loss Account in the Annual Report.
- b) The Company has not entered into any materially significant related party transactions during the reporting period. The Company has formulated a policy on Related Party Transactions which is disclosed on the Company's website: <https://muthootmicrofin.com/disclosures/>
- c) The Company has complied with the requirements of the Stock Exchanges/ Securities and Exchange Board of India (SEBI) and statutory authorities on all matters related to the capital markets during the last three years except for instances disclosed in clause XIII of this report.
- d) The Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance.

The status of compliance with the non-mandatory requirements is as under:

- The financial statements of the Company are with unmodified audit opinion.
 - The Internal Auditor reports are presented to the Audit Committee.
- e) The Company manages foreign exchange risk and hedges to the extent considered necessary as and when required. The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated 15th November 2018 is not required to be given.
 - f) During the financial year, there were no instances where the recommendation of any Committee of the Board is not accepted by the Board of Directors.
 - g) An amount of ₹ 18.26 million (including out-of-pocket expenses and excluding GST) was paid by the

Company, on a consolidated basis, to the Statutory Auditors and all the entities in the network firm/network entity of which the Statutory Auditor is a part, during the Financial Year 2023-24.

- h) Disclosures as required under Schedule V(C) (10) (I) of the Listing Regulations in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is disclosed in the Board's Report.
- i) The Company and its subsidiaries have not made any Loans and Advances in the nature of loans to firms/ companies during the year in which Directors are interested.
- j) The company does not have any subsidiaries.

VIII. A certificate has been received from CS Lakshmi Pradeep, Practicing Company Secretary, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI, Ministry of Corporate Affairs or any such statutory authority. The Certificate forms part of this Annual Report.

IX. The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27, Part C of Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations and amended thereto, as applicable with regard to Corporate Governance. CS Lakshmi Pradeep, Practicing Company Secretary, have certified that the Company has complied with the mandatory requirements as stipulated under SEBI Regulations. The Certificate on Corporate Governance forms part of the Annual Report.

X. CEO and CFO Certification

The Chief Executive Officer and Chief Financial Officer of the Company have given a certificate to the Board in compliance with Regulation 17 of the SEBI Listing Regulations. The said certificate forms part of the Annual Report.

XI. Equity Shares In The Demat Suspense Account

In accordance with the requirement of Regulation 34(3) and Schedule V Part F of SEBI Listing Regulations, the Company reports that there are no equity shares lying in the demat suspense account, which were issued in dematerialized form pursuant to the public issue of the Company.

XII. Key Managerial Personnel and Senior Management Personnel

As on March 31, 2024, the following persons forms part of the Key Managerial personnel and Senior Management;

SI No.	Name	Designation
Key Managerial Personnel		
1.	Mr. Thomas Muthoot	Managing Director
2.	Mr. Sadaf Sayeed	Chief Executive Officer
3.	Mr. Praveen T	Chief Financial Officer
4.	Mr. Neethu Ajay	Chief Compliance Officer & Company Secretary
Senior Management Personnel		
1.	Mr. Udeesh Ullas	Chief Operating Officer
2.	Mr. Jinsu Joseph	Chief Risk Officer
3.	Mr. Subhransu Pattnayak	Chief Human Resource Officer
4.	Mr. Dileep Kumar Pathak	Chief Internal Auditor
5.	Mr. Linson C Paul	Chief Technology Officer
6.	Mr. Deepu S	Chief Information Security Officer

XIII. Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:

During the last three year, there have been no instances of non-compliance by the Company on any matters relating to the Companies Act, RBI Regulations, SEBI Regulations, Labour Laws, Income Tax and GST Laws and other applicable Acts, Rules, and Regulations except for the details mentioned below:

FY 2023-24

As per Regulation 60(2) SEBI (LODR) Regulations, 2015, the listed entity shall give notice in advance of at least seven working days to the recognized stock exchange(s) of the record date. The Company has delayed in submission of the notice of Record Date for one instance and a fine of 10,000/- was imposed by the BSE Limited. The Company has paid the required fine amount.

FY 2022-23

As per Regulation 50(1) of the SEBI Listing Regulations, 2015, the listed entity shall give prior intimation to the stock exchange at least two working days in advance about the Board meeting in which certain matters are to be considered. The Company made a delay in furnishing intimation about the Board Meeting in one instance, for which a fine of 5,000/- was imposed by the BSE Limited. The Company has paid the required fine amount.

As per regulation 57(4) of SEBI (LODR) Regulations, 2015, the listed entity shall within five working days prior to the beginning of the quarter provide details for all the non-

convertible securities for which interest/dividend/principal obligations shall be payable during the quarter. The Company has not submitted the details of payable interest/dividend/principal obligations for the quarter ending March 2022, for which a fine of 2,000/- was imposed by the BSE Limited. The Company has paid the required fine amount.

As per Regulation 60(2) SEBI (LODR) Regulations, 2015, the listed entity shall give notice in advance of at least seven working days to the recognized stock exchange(s) of the record date. The Company has delayed in submission of the notices of Record Date for some instances and a fine of 1,00,000/- was imposed by the BSE Limited. The Company has paid the required fine amount.

As per Regulation 57(1) SEBI (LODR) Regulations, 2015, the listed entity shall submit a certificate to the stock exchange within one working day of the interest or dividend or principal becoming due regarding the status of payment in case of non-convertible securities. The Company has delayed in submission of the said certificate in one instance for which a fine of 2,000/- was imposed by BSE Limited. The Company has paid the required fine amount.

XIV. Breach of Covenants

There was no breach of covenants of loans availed or debt securities issued by the Company as on March 31, 2024.

XV. Declaration of Code of Conduct

In compliance with the provisions of Schedule V(D) of the Listing Regulations, it is hereby affirmed that all the Board members and Senior Management personnel have complied with the Code of Conduct of the Company.

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

Muthoot Microfin Limited

Corporate Identity Number: L65190MH1992PLC066228

13th Floor, Parinee Crescenzo, Bandra Kurla Complex,
Bandra East, Mumbai, Maharashtra, India, 400051

We have examined the compliance with conditions of Corporate Governance by **Muthoot Microfin Limited ('the Company')**, for the financial year ended on March 31, 2024, as per Regulations 17 to 27, clauses (b) to (i) and (t) of Regulation 46(2) and paragraphs C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance with conditions of Corporate Governance is the responsibility of the management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clauses (b) to (i) and (t) of Regulation 46(2) and paragraphs C and D of Schedule V of the Listing Regulations during the financial year ended March 31, 2024.

We further state that this Certificate is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

This certificate is issued solely for the purposes of complying with the aforesaid Regulations and shall not be suitable for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for events and circumstances occurring after the date of this Certificate.

CS Lakshmi Pradeep

Company Secretary in Practice

Membership No. - FCS 10160

CP No. - 13155

UDIN: F010160F000312088

ICSI Peer Review Certificate No: 3303/2023

Place: - Palakkad

Date: - 06.05.2024

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(RBI Circular DOR.ACC.REC. No. 20/21.04.018/2022-23 dated April 19, 2022 read with Schedule V Para C of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members

Muthoot Microfin Limited

13th Floor, Parinee Crescenzo, Bandra

Kurla Complex, Bandra East,

Mumbai-400051

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s **Muthoot Microfin Limited (CIN: L65190MH1992PLC066228)** having registered office at 13th Floor, Parinee Crescenzo, Bandra Kurla Complex, Bandra East, Mumbai-400051 (hereinafter referred to as the "Company"), produced before us by the Company for the purpose of issuing this Certificate, in accordance RBI Circular DOR.ACC.REC.No.20/21.04.018/2022-23 dated April 19, 2022 read with Schedule V Para C Clause 10 Sub Clause (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below, for the Financial Year ending on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

SI No.	Name of Director	DIN	Date of First Appointment
1	Thomas John Muthoot	00011618	08/05/2017
2	Thomas George Muthoot	00011552	08/05/2017
3	Thomas Muthoot	00082099	08/05/2017
4	John Tyler Day	07298703	20/12/2022
5	Akshaya Prasad	02028253	06/12/2021
6	Pushpy B Muricken	03431198	31/03/2018
7	Thai Salas Vijayan	00043959	15/05/2018
8	Bhama Krishnamurthy	02196839	15/05/2018
9	Anand Raghavan	00243485	20/12/2022
10	Alok Prasad	00080225	10/05/2017

Ensuring the eligibility for the appointment /continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on this based on our verification. This certificate is neither an assurance as to the future viability of the Company, nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Lakshmi Pradeep

Company Secretary in Practice

Membership No. - FCS 10160

CP No. – 13155

UDIN: F010160F000312000

ICSI Peer Review Certificate No: 3303/2023

Place: - Palakkad

Date: - 06.05.2024

CEO/CFO COMPLIANCE CERTIFICATION TO THE BOARD

[Pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We, Sadaf Sayeed, Chief Executive Officer and Praveen T, Chief Financial Officer of Muthoot Microfin Limited hereby certifying that:

- A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2024 and that to the best of their knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee
- (1) That there are no significant changes in internal control over financial reporting during the year;
 - (2) That there are no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) That we are not aware of instances of any significant fraud of with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

For Muthoot Microfin Limited,

Date: May 6, 2024
Place: Ernakulam

Sadaf Sayeed
Chief Executive Officer

Praveen T
Chief Financial Officer

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview

We are a microfinance institution providing micro-loans to women customers (primarily for income generation purposes) with a focus on rural regions of India. We are the third largest NBFC-MFI in India in terms of gross loan portfolio as of December 31, 2023 (Source: MFIN Report).

As of March 31, 2024, our gross loan portfolio amounted to ₹ 1,21,935.00 million. We believe that our business model helps in driving financial inclusion, as we serve customers who belong to low-income groups. As of March 31, 2024, we have 3.35 million active customers, who are serviced by 13,866 employees across 1,508 branches in 353 districts in 19 states and union territories in India. Our branches are connected to our IT networks and are primarily located in commercial spaces which we believe are easily accessible by our customers.

We are a part of the Muthoot Pappachan Group, a business conglomerate with presence across financial services, automotive, hospitality, real estate, information technology, infrastructure, precious metals and alternate energy sectors. The Muthoot Pappachan Group has a history of over 50 years in the financial services business. MFL, the flagship company of the Muthoot Pappachan Group, holds 50.21% of the paid up Equity Share capital in our Company, on a fully diluted basis. Our relationship with the Muthoot Pappachan Group provides us with brand recall and significant marketing and operational benefits. Further, there are significant synergies between the financial services business of the group and our micro-finance business. The target customer segment of the Muthoot Pappachan Group is low income customers.

Our wide range of lending products are aimed at catering to the life-cycle needs of rural households. We primarily provide loans for income generating purposes to women customers living in rural areas. Our loan products comprise Group loans for livelihood solutions such as income generating loans, Pragathi loans and Individual loans; Life betterment solutions including mobile phones loans, solar lighting product loans and household appliances product loans; Health and hygiene loans such as sanitation improvement loans; and Secured loans in the form of gold loans and our Muthoot Small & Growing Business ("MSGB") loans. As of March 31, 2024, the gross loan portfolio of our income generating loans amounted to ₹ 1,12,609.42 million, representing 92.35% of our total gross loan portfolio. We primarily adopt a joint liability group model which caters exclusively to women in lower income households and is premised on the fact that if such individuals are given access to credit, they may be able to identify new opportunities and supplement and grow their existing income. The history of the Muthoot Pappachan Group in working with customers at the bottom of the economic pyramid helps us better address the needs of women in rural households and design lending products to cater to their requirements.

To improve our underwriting capabilities using technology, we have developed a unique credit score card along with Equifax to evaluate the creditworthiness of customers by assigning individual credit scores to our customers. As a result, we are able to risk profile each of our customers individually based on parameters such as payment track record (including any credit defaults in the past two years), demographics, age and location. Apart from utilizing our unique credit score, we also analyze customers' credit bureau reports to establish their creditworthiness and repayment behaviour. Further, to expand our digital collections infrastructure, we launched a proprietary application, called "Mahila Mitra", in 2021, which facilitates digital payment methods such as QR codes, websites, SMS-based links and voice-based payment methods. Through Mahila Mitra, our customers can pay directly from their bank account through a secure platform that requires authentication via OTP and/or PIN payments, track and maintain digital records and statements of transactions, and earn cashback or reward points on payment transactions. As of March 31, 2024, 1.63 million customers have downloaded the Mahila Mitra application, and 2.30 million customers have transacted digitally with us (through the Mahila Mitra application and other digital payment methods). We have also developed a Super App along with the Muthoot Pappachan Group, which we use to integrate our Mahila Mitra application with all of the Muthoot Pappachan Group's products and databases on to a single platform, allowing customers to access all the Group's loan offerings on a single platform, thereby maximizing our cross-selling opportunities. In 2022, we were awarded the Mobility Award for IT Innovations at the Technology Senate Awards South 2022 instituted by Express Computer, and the Best Digital Transformation Initiative – Financial Services Award at the India DevOps Show, 2022.

In addition, with the aim to cater to the healthcare needs and priorities of our customers, we have, since December 2021, offered digital healthcare facilities to our customers through "e-clinics". We collaborate with M-Swasth Solutions Private Limited, a technology driven digital healthcare service provider, to set up these e-clinics across our branches. As of March 31, 2024, we have set up 681 e-clinics across 681 of our branches, representing 45.16% of our total branches. As of March 31, 2024, 38.72% of our customers have enrolled in our e-clinics, and we have facilitated 3,57,930 medical consultations and 1,64,921 teleconsultations. Further, to protect our customers from the risks of natural calamities, we have, since May 2020, also provided natural calamity insurance to our customers to whom we disburse loans across our branches in India. As of March 31, 2024, we have provided 67.54% of our clients with natural calamity insurance. As a result of global climate change, India has experienced natural calamities such as floods, cyclones, earthquakes, tsunamis, and droughts in the past, including floods in the south Indian state of Kerala in 2018 and 2019 and a cyclone in Tamil Nadu in 2018. In this background, purchasing natural calamity insurance for our new customers is a significant value-add to them as it protects their businesses and assets at home.

Our Board, Promoters and Senior Management comprise experienced professionals, industry experts and management professionals, supported by a qualified and motivated pool of employees. Our Senior Management team has members who have significant experience in microfinance and various lending businesses as well as across major functions related to our business, which include retail banking operations, debt management and microfinance, financial services, and information technology services. Collectively, they have demonstrated an ability to manage and grow our operations. Further, we are supported by our marquee investors, namely Creation Investments India LLC and Greater Pacific Capital WIV Ltd, which have been invested in our Company since 2016 and 2021, respectively, and collectively hold 22.76% of the issued, subscribed, and paid-up Equity Share capital of our Company on a fully diluted basis.

We have received several awards and certifications in recognition of our approach of integrating social values in the conduct of our business, including the Certificate of Excellence for contributions for water and sanitation lending instituted by Water.org and Sa-Dhan in 2021, the 'Flame Awards' instituted

by Rural Marketing Association of India in 2020, and the 'Golden Peacock Award for Business Excellence' by the Institute of Directors in 2018.

During the financial year we have received various awards in various areas of the operations, specially winning fifth time consecutively the Great Place to work by Great Place to Work Institute, 'Microfinance company of the year' at the ET business Awards 2024, Ranked as Great Place to Work among India's top 50 Best workplaces in Health and Wellness 2023, Gold level Certification for Client Protection by M-CRIL, the 'Runner-up' Award For outstanding Financial Performance at The ASSOCHAM 18th Annual Summit & Awards, the 'Best Learning Strategy Gold-Award' from Indian Business Council and the Human Resources Ideas & Voices Event (THRIVE) 2023, Winner in Prestigious 'Modern and Agile data Architecture and Infrastructure' category at the Economic Times DataCon Awards 2023, Honoured with 'ELETS 2nd NBFC100 Leader of Excellence' award in Jury's choice for outstanding Technology Implementation, and awarded as 'Best Work places in BFSI' consecutively for 2nd time.

The following table sets forth our key financial and operational metrics as of or for the years indicated:

Name of Director	As of/ for the year ended March 31, 2024	As of/ for the year ended March 31, 2023
Gross Loan Portfolio (₹ million) ⁽¹⁾	1,21,935.00	92,082.96
Period on period growth in Gross Loan Portfolio (%)	32.42%	47.22%
Disbursements (₹ million) ⁽²⁾	1,06,616.12	81,044.74
Period on period growth in Disbursements (%)	31.55%	74.40%
Number of Loans Disbursed (million) ⁽³⁾	2.42	2.11
Customers to whom loans were disbursed during the Period (million) ⁽⁴⁾	1.77	1.52
New Customers (million) ⁽⁵⁾	1.00	1.01
Active Customers (million) ⁽⁶⁾	3.35	2.77
Customers with Mahila Mitra app downloads (million) ⁽⁷⁾	1.63	1.18
Customers who Transacted Digitally with Us (million) ⁽⁸⁾	2.30	1.70
Overall Digital Collection (₹ million) ⁽⁹⁾	21,128.24	10,955.40
Revenue from Operations (₹ million) ⁽¹⁰⁾	22,701.80	14,287.64
Net Interest Income (₹ million) ⁽¹¹⁾	13,611.02	8,744.00
Net Interest Margin ⁽¹²⁾	12.69%	11.85%
Ratio of Operating Expenses to Monthly Average Gross Loan Portfolio ⁽¹³⁾	5.97%	6.16%
Ratio of Provisions and Write Offs to Monthly Average Gross Loan Portfolio	1.70%	2.97%
Pre-provision operating profit before Tax (₹ million) ⁽¹⁴⁾	7,638.00	4,361.88
Profit After Tax (₹ million) ⁽¹⁵⁾	4,495.83	1,638.89
Total comprehensive income for the year (₹ million) ⁽¹⁶⁾	4,632.60	2,033.06
Debt to equity (times) ⁽¹⁷⁾	2.98	3.99
RoA ⁽¹⁸⁾	4.19%	2.18%
RoE ⁽¹⁹⁾	20.30%	11.40%
Net Worth ⁽²⁰⁾	28,043.53	16,258.49
Cost to income ratio (%) ⁽²¹⁾	45.54%	51.40%
Average annual cost of borrowings (%) ⁽²²⁾	11.17%	10.94%
Impairment allowance coverage ratio (%) ⁽²³⁾	85.08%	80.32%
Capital to risk assets ratio (CRAR) (%) ⁽²⁴⁾	28.97%	21.87%
Insurance Premium collected (₹ million) ⁽²⁵⁾	4,864.60	3,380.93
Life Insurance (₹ million) ⁽²⁶⁾	3,384.52	2,440.26
Medical Insurance (₹ million) ⁽²⁷⁾	811.11	598.28
Natural Calamity Insurance (₹ million) ⁽²⁸⁾	668.97	342.38

Notes:

⁽¹⁾ Gross loan portfolio represents the aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets which includes loan assets held by our Company as of the last day of the relevant year, loan assets which have been transferred by our Company by way of assignment as well as loan assets managed by our Company through partner institution and co-lending partner, and are outstanding as of the last day of the relevant year. While we act as partner institution for these loans, these loans are provided on the balance sheet of our partner institution, and not recognized as our loan assets on our balance sheet.

⁽²⁾ Disbursements is the total amount disbursed to customers in the relevant period, pursuant to loans sanctioned.

⁽³⁾ Number of loans disbursed represents the total number of loans disbursed to customers during the relevant period.

⁽⁴⁾ Customers to whom loans were disbursed during the period represents the unique number of customers to which at least one loan is disbursed during the relevant period.

⁽⁵⁾ New Customers represent customers who are first time borrowers of our Company while disbursing a fresh loan during the corresponding period.

⁽⁶⁾ Active Customers refers to our customers which had an active loan account as of the last day of the relevant period.

⁽⁷⁾ Customers with Mahila Mitra app downloads represent customers who have downloaded and registered our "Mahila Mitra" app.

⁽⁸⁾ Customers who transacted digitally with us represent customers who have paid through digital payment methods such as QR codes, webpages, SMS-based links and voice-based payment methods.

⁽⁹⁾ Overall digital collection represents the amount recovered from our customers through digital payment methods such as QR codes, webpages, SMS-based links and voice-based payment method.

⁽¹⁰⁾ Revenue from Operations represents our total revenue from operations as per our Financial Statements for the relevant year.

⁽¹¹⁾ Net Interest Income represents our Revenue from Operations excluding Fees and commission income and sale of services reduced by Finance Costs excluding interest cost on lease liability as per our Financial Statements for the relevant year.

⁽¹²⁾ Net Interest Margin is the ratio of our Net Interest Income to our average monthly gross loan portfolio. Our average monthly gross loan portfolio is the simple monthly average of our gross loan portfolio for the relevant year.

⁽¹³⁾ Operating expense represents the aggregate of Employee benefits expenses, Other expenses, Fees and commission expenses, Depreciation on RoU asset and Interest cost on lease liabilities.

⁽¹⁴⁾ Pre-provision operating profit before tax represents the sum of profit before tax for the relevant year and impairment on financial instruments for such year derived from our Financial Statements for the relevant year.

⁽¹⁵⁾ Profit After Tax represents our profit for the year (after tax) as per our Financial Statements for the relevant year.

⁽¹⁶⁾ Total comprehensive income for the year represents our total comprehensive income for the year as per our Financial Statements for the relevant year.

⁽¹⁷⁾ Debt to equity represents the ratio of our Total Borrowings to our Net Worth.

⁽¹⁸⁾ RoA represents profit for the relevant year as derived from our Financial Statements as a percentage of monthly average gross loan portfolio for the relevant year.

⁽¹⁹⁾ RoE represents the ratio of Net Profit attributable to equity holders to our annual average of net worth. Our annual average of net worth is the simple average of our net worth as of March 31 of the relevant year and our net worth as of March 31 of the preceding year.

⁽²⁰⁾ Net Worth represents our net worth as of the last day of the relevant year as per our Financial Statements .

⁽²¹⁾ Cost to Income ratio is the ratio of the aggregate of our fees and commission expenses, employee benefit expenses, other expenses and depreciation and amortisation expense to total income net of finance cost as per our Financial Statements for the relevant year.

⁽²²⁾ Annual Average Cost of Borrowings is the weighted average interest cost on borrowings, weights being annual average borrowings. Borrowings include debt securities and borrowings (other than debt securities).

⁽²³⁾ Impairment allowance coverage ratio represents the ratio of total impairment allowance on term loans (gross) derived from our Financial Statements to Stage III Assets (Gross NPAs) for the relevant year.

⁽²⁴⁾ Capital to risk assets ratio (CRAR) is calculated as capital funds (Tier I capital plus Tier II capital) divided by risk-weighted assets (the weighted average of funded and non-funded items after applying the risk weights as assigned by the RBI).

⁽²⁵⁾ Insurance Premium collected represents the total insurance premium collected and transferred by our Company to the relevant insurance companies for providing life, medical and natural calamity insurance to our customers.

⁽²⁶⁾ Life Insurance represents the insurance premium collected and transferred by our Company to the relevant insurance companies for providing credit linked life insurance products to our customers.

⁽²⁷⁾ Medical Insurance represents the insurance premium collected and transferred by our Company to the relevant insurance companies for providing medical insurance products to our customers.

⁽²⁸⁾ Natural Calamity Insurance represents the insurance premium collected and transferred by our Company to the relevant insurance companies for providing natural calamity or asset insurance products to our customers.

Significant Factors Affecting Our Results of Operations

Our business, results of operations, financial condition and cash flows have been, and we expect will continue to be, affected by numerous factors, including:

Growth in the Microfinance Industry and performance of the Indian Rural Economy

As an NBFC-MFI, we are impacted and will continue to be impacted by the performance of the microfinance industry in India, especially in rural India where our operations are focused. The industry's gross loan portfolio increased at a rate of 24.6% YoY from December 2022 to December 2023 to reach approximately ₹ 3.99 trillion in the third quarter of the Financial Year 2024 (Source:mfin Report). This overall increase in market size has contributed to the growth of our business over the last few years. Going forward, the microfinance industry will continue to see strong growth due to the Government of India's continued focus on strengthening the rural financial ecosystem, robust credit demand, and higher-ticket loans disbursed by microfinance lenders.

Our primary focus is providing micro-loans to women customers (primarily for income generation purposes) with a focus on rural regions of India, our results of operations are particularly affected by the performance and the future growth potential of microfinance in rural regions of India. The significant under-penetration of credit in rural areas offers strong potential for growth and given the relatively deeper reach, existing client relationships and employee base, microfinance institutions are well placed to address this demand which is currently being met by informal sources such as local money lenders. As of March 31, 2024, ₹ 117,366.51 million or 96.25% of our gross loan portfolio was from rural areas. We expect to benefit from the expected growth potential for microfinance in rural regions of India.

As a financial institution operating in India, our financial condition and results of operations are also influenced by the general economic conditions and particularly macroeconomic conditions in India. Key macroeconomic factors that may affect the Indian economy and, in turn, demand for our products and the quality of our loan portfolio include, among others, (i) demographic conditions and population dynamics, (ii) economic development, shifting of wealth and employment rates, (iii) political measures and regulatory developments, such as tax incentives and general political stability, (iv) fiscal and monetary dynamics, such as volatility in interest rates, foreign exchange rates and inflation rates, and (v) political and regulatory developments on the Indian economy.

Availability of Cost-Effective Sources of Funding

The liquidity and profitability of our business depend, in large part, on our timely access to, and the costs associated with, raising funds. Our funding requirements historically have been met from various sources, including public sector banks, private sector banks, small finance banks, foreign banks, other non-banking financial institutions, developmental financial institutions and public investors, together with NCDs, ECB and pass through certificates. Our Promoters and our holding company, Muthoot Fincorp Limited, have not provided any corporate guarantees in relation to the borrowings availed by us, which we believe demonstrates the trust of our lenders in our business model. Our ability to compete effectively will depend, in part, on our ability to maintain or increase our interest margins. Our margins are affected in part by our ability to continue to secure cost effective funding at rates lower than the interest rates at which we lend to our customers. Our ability to meet demand for new loans will depend on our ability to obtain financing on acceptable terms. Factors such as our credit rating, monetary policies of the RBI, domestic and international economic and political conditions and external interventions have an effect on our cost of interest-bearing liabilities.

A further source of financing for us is proceeds from loan assignments that we make from time to time. We assign a group of similar loans from our loan portfolio to banks and financial institutions in return for a fixed consideration equal to the aggregate outstanding principal amount of the loans, received upfront, plus an agreed portion of future interest payments of the loans assigned, received when they are collected. The consideration we derive from the assignment of our loan portfolios in these transactions depends on several factors, including the term of the loans and yield of the loan portfolio assigned. During the Financial Years 2023 and 2024, we assigned ₹ 18,322.48 million and ₹ 27,133.93 million, respectively, of loans and also recognized income of ₹ 1,363.16 million and ₹ 2,231.66 million, respectively, in these periods.

Additionally, we have entered into a co-lending partnership with a fintech platform to explore co-lending options through its platform to tap a wider customer base.

Our Ability to Manage Finance Costs and Fluctuations in Interest Rates Effectively

Our results of operations depend largely on the level of our net interest income as our primary revenue source is interest income. During the Financial Years ended March 31, 2023 and 2024, interest on loans outstanding represented 88.00% and 85.48% of our total revenues, respectively. Consequently, our results of operations depend on our ability to manage our finance costs and the impact of fluctuations in interest rates effectively. Our finance costs comprise interest on borrowings (other than debt securities), interest on debt securities, interest on subordinated liabilities and interest cost on lease liabilities.

Further, our debt service costs and costs of funds depend on many external factors, including developments in the Indian credit market and, in particular, interest rate movements and the existence of adequate liquidity in the debt markets. Interest rates are highly sensitive and fluctuations thereof are dependent upon many factors which are beyond our control, including the monetary policies of the RBI, de-regulation of the financial services sector in India, domestic as well as international economic and political conditions, inflation and other factors. Internal factors which will affect our cost of funds include changes in our credit ratings, available credit limits and access to loan assignment transactions. During the Financial Years 2023 and 2024, our finance costs were ₹ 5,490.10 million and ₹ 8,831.62 million, respectively, and represented, as a percentage of our total income 37.96% and 38.64%, respectively.

Our levels of Non-Performing Assets (“NPAs”) and related Provisions and Write-Offs

The focus customer segment for our micro-loan business is women with an annual household income of up to ₹ 300,000. Our customers generally have limited sources of income, savings and credit histories and as a result, generally do not have a high level of financial resilience, and, as a result, they may be affected by declining economic conditions and natural calamities such as floods, cyclones, earthquakes, tsunamis or droughts. Further, as we primarily make unsecured loans and rely primarily on non-traditional guarantee mechanisms rather than any tangible assets or collateral, As our customers potentially present a higher risk of loss in case of a credit default compared to that of customers in other asset-backed financing products. Thus, due to the nature of our customers, we may experience increased levels of NPAs and related provisions and write-offs. For the Financial Years 2023 and 2024, our impairment on financial instruments amounted to ₹ 2,233.18 million and ₹ 1,819.58 million, respectively, representing 15.63% and 8.02% of our revenue from operations, respectively.

To reduce and minimise our levels of NPAs, related provisions and write-offs, we have put in place a risk management framework which primarily focus on addressing credit risk, operational risk and financial risk, and we have also implemented customer selection methodologies and regular end use and payment monitoring procedures.

Our Ability to Grow our Loan Portfolio and Customer Base, as well as Manage our Network and Outreach

Our results of operations are directly affected by the number of customers we serve from time to time. Growth in our customer base typically drives corresponding growth in our interest income and fees received, as customers utilize our loan products and also avail of our other financial products and services. Similarly, a decrease in our customer base would drive a corresponding decrease in our interest income and fees received. Our number of active customers was 3.35 million as of March 31, 2024 and our gross loan portfolio was ₹ 1,21,935.00 million as of March 31, 2024.

Our results of operations also depend upon the geographic reach and service capabilities of our network of branches. As of March 31, 2024, we had 11,691 branch managers, credit managers and relationship officers, or 84.31% of our total workforce, spread across 685 branches in 81 districts in South India and 823 branches in 272 districts in the rest of India. Our relationship officers market and sell our products, and, together with our branch managers, manage our customer relationships with our members through weekly meetings. As of March 31, 2024, each of our relationship officers managed an average of 393 customers. Our relationship officers and branches are supported by our administrative support staff and management personnel.

Our Ability to Manage Operating Expenses

Our results of operations are affected by our ability to manage our operating expenses, which include fees and commission expenses, employee benefit expenses, other expenses and depreciation and amortization. As we expand our core business and our product and service offerings to our customers, we will need to increase headcount by adding relationship officers, other officers and operational management and technology staff. Employee benefit expenses represented 69.95% and 70.26% of our operating expenses during the Financial Years 2023 and 2024, respectively. In addition, our relationship officers incur substantial travelling and conveyance expenses visiting villages, many of which are remote, to market and sell our products and services, maintain member relationships, conduct meetings, collect repayments and report transactions at local banks. During the Financial Years 2023 and 2024, our other expenses were ₹ 844.41 million and ₹ 1,272.51 million, respectively, representing 18.31% and 19.93% of our operating expenses, respectively, comprising primarily of traveling and conveyance, legal and professional charges, and communication expenses.

Government Policy and Regulation

The microfinance industry is highly regulated and has been affected by changes in laws and regulations in the recent past, which have affected its growth. As an NBFC-MFI, we will continue to be affected by a number of regulations promulgated by the RBI. As per the RBI regulations, the interest rates charged by us are governed by our board policy on pricing on credit. The RBI regulates, among other things, non-performing assets (“NPAs”) and standard assets provisioning norms, capital adequacy norms and other lending stipulations and other operational restrictions. 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. Any change in the regulatory framework affecting NBFC-MFIs, such as those relating to maintaining certain financial ratios, accessing funds or lending to NBFC-MFIs by banks including priority-sector lending (“PSL”) norms, would affect our results of operations and growth.

For changing laws and regulations governing the financial services industry in India and laws and regulations in applicable to us generally.

Key Components of our Statement of Profit and Loss

The following descriptions set forth information with respect to the key components of our profit and loss statements.

Income

Revenue from operations. Revenue from operations comprises interest income, fees and commission income, net gain on fair value changes, income on investments and sale of services. Interest income includes interest on loan portfolio (measured at amortised cost), interest on deposits from banks and interest on loan assets (measured at fair value through other comprehensive income). Fees and commission income includes facilitation fees that we earn from manufacturers and distributors that sell their products to our customers at our branches. We provide loans to our customers for the purchase of such products (for example, solar lamps and pressure cookers) and these products are available for sale at some of our branches. Fees and commission income also includes income from business correspondence services, which relate to commissions earned from acting as a partner institution for the Prayaas loan scheme, a scheme for direct credit to micro enterprises, including our existing customers. Net gain on fair value changes includes gain on sale of loan assets recognized through our profit and loss account. Net gain on fair value changes relate to the fair value changes of our portion of loan assets that we assign pursuant to our assignment transactions. Sale of services relate to income which we receive in relation to collections services that we provide for the portion of loans that we assign.

Other income. Other income comprises interest income on security deposits, bad debt recovered and miscellaneous income.

Expenses

Expenses comprise finance costs, fees and commission expenses, impairment on financial instruments, employee benefits expenses, depreciation and amortisation expense, and other expenses.

Finance costs. Finance costs comprise interest on borrowings (other than debt securities), interest on debt securities, interest on subordinated liabilities and interest cost on lease liabilities.

Fees and commission expenses. Fees and commission expenses comprise fees and commission expenses, which relate to expenses incurred in outsourcing our cash management operations to MFL and third-party cash management agencies.

Impairment on financial instruments. Impairment on financial instruments comprises write off of loans; waive off of loans which relate to impairment on value of our loan assets as a result of settlements that we enter into with our delinquent customers; and provision for impairment on loan assets.

Employee benefits expenses. Employee benefits expenses comprise salaries and wages, contribution to provident and other funds, share based payments, gratuity and compensated absence and staff welfare expenses.

Depreciation and amortisation expense. Depreciation and amortization expense comprises depreciation on property, plant and equipment, depreciation on right-of-use assets and amortisation.

Other expenses. Other expenses comprise rent, rates and taxes, repairs and maintenance – others, communication expenses, printing and stationery, marketing expenses, auditors' remuneration (including for services such as statutory audit, limited review, tax audit, other certifications and reimbursement of expenses), legal and professional charges, traveling and conveyance, software support charges, power and fuel, office expenses, corporate social responsibility expenses and miscellaneous expenses.

Tax expense

Tax expense consists of current tax, deferred tax and tax relating to prior years.

Results of Operations for the Financial Years 2023 and 2024

The following table sets forth our selected financial data from our Statement of profit and loss for the Financial Years 2023 and 2024, the components of which are also expressed as a percentage of total income for such years:

Particulars	For the Financial Years			
	2024		2023	
	₹ (in millions)	% of Total Income	₹ (in millions)	% of Total Income
Income				
Revenue from operations	22,701.80	99.33%	14,287.64	98.78%
Other income	153.10	0.67%	175.80	1.22%
Total income	22,854.90	100.00%	14,463.44	100.00%
Expenses				
Finance costs	8,831.62	38.64%	5,490.10	37.96%
Fees and commission expenses	271.85	1.19%	275.41	1.90%
Impairment on financial instruments	1,819.58	7.96%	2,233.18	15.44%
Employee benefits expenses	4,486.55	19.63%	3,225.58	22.30%
Depreciation and amortization expense	354.37	1.55%	266.06	1.84%
Other expenses	1,272.51	5.57%	844.41	5.84%
Total expenses	17,036.48	74.54%	12,334.74	85.28%
Profit before tax	5,818.42	25.46%	2,128.70	14.72%
Tax expenses				
Current tax	1,456.31	6.37%	679.91	4.70%
Deferred tax	104.80	0.46%	(142.59)	(0.99%)
Tax relating to prior years	(238.52)	(1.04%)	(47.51)	(0.33%)
Profit for the year	4,495.83	19.67%	1,638.89	11.33%

Financial Year 2024 Compared to Financial Year 2023

Income

Revenue from Operations

Our revenue from operations increased by 58.89% to ₹22,701.80 million for the Financial Year 2024 from ₹14,287.64 million for the Financial Year 2023, primarily due to an increase in interest income to ₹19,849.05 million for the Financial Year 2024 from ₹12,906.45 million for the Financial Year 2023, which was primarily attributable to increases in interest on loan portfolio to ₹19,537.46 million for the Financial Year 2024 from ₹12,727.94 million for the Financial Year 2023. The increase in interest on loan portfolio was in line with increases in (i) active customers to 3.35 million as of March 31, 2024 from 2.77 million as of March 31, 2023, (ii) disbursements to ₹1,06,616.12 million for the

Financial Year 2024 from ₹81,044.74 million for the Financial Year 2023, and (iii) gross loan portfolio to ₹1,21,935.00 million as of March 31, 2024 from ₹92,082.96 million as of March 31, 2023. These increases were as a result of an expansion in the number of our branches to 1,508 as of March 31, 2024 from 1,172 as of March 31, 2023, states and union territories where we operate to 19 as of March 31, 2024 from 18 as of March 31, 2023 and districts where we operate to 353 as of March 31, 2024 from 321 as of March 31, 2023. The increase in interest on loan portfolio was also due to the removal of interest rate cap for NBFC-MFIs by RBI in March 2022, which allowed us to increase the interest rates on our income generating loans. As a result, our net interest margins, which is the ratio of our net interest income to our average monthly gross loan portfolio, increased to 12.69% for the Financial Year 2024 from 11.85% for the Financial Year 2023.

The increase in revenue from operations was also due to an increase in fees and commission income to ₹ 409.09 million for the Financial Year 2024 from ₹ 173.22 million for the Financial Year 2023, primarily due to increases in (i) facilitation fees to ₹ 357.78 million for the Financial Year 2024 from ₹ 148.23 million for the Financial Year 2023, in line with higher disbursements during the Financial Year 2024, and (ii) income from business correspondence services to ₹ 51.30 million for the Financial Year 2024 from ₹ 25.00 million for the Financial Year 2023, primarily attributable to higher loans disbursed under the partnership agreement in relation to the Prayaas loan scheme during the Financial Year 2024. The increase in revenue from operations was also due to increases in (i) net gain on fair value changes to ₹ 2,276.05 million for the Financial Year 2024 from ₹ 1,115.37 million for the Financial Year 2023, and (ii) sale of services to ₹ 10.83 million for the Financial Year 2024 from ₹ 9.25 million for the Financial Year 2023, both of which were primarily attributable to an increase in book value of loan assets assigned during the year to ₹ 27,133.93 million for the Financial Year 2024 from ₹ 18,322.48 million for the Financial Year 2023. Further, the increase in revenue from operations was also due to an increase in income on investments to ₹ 156.78 million for the Financial Year 2024 from ₹ 83.35 million for the Financial Year 2023, primarily attributable to an increase in profits arising from the sale of short-term investments in mutual funds.

Other Income

Other income decreased by 12.91% to ₹ 153.10 million for the Financial Year 2024 from ₹ 175.80 million for the Financial Year 2023. The decrease was primarily due to a reduction in bad debt recovery to ₹ 94.18 million for the Financial Year 2024 from ₹ 143.59 million for the Financial Year 2023.

Expenses

Finance Costs

Finance costs increased by 60.86% to ₹ 8,831.62 million for the Financial Year 2024 from ₹ 5,490.10 million for the Financial Year 2023, primarily due to increases in (i) interest on borrowings (other than debt securities) to ₹ 6,840.67 million for the Financial Year 2024 from ₹ 4,063.02 million for the Financial Year 2023, primarily attributable to increases in borrowings from banks and under securitization arrangements, and amounts raised from external commercial borrowings, and (ii) interest on debt securities to ₹ 1,830.19 million for the Financial Year 2024 from ₹ 1,295.20 million for the Financial Year 2023. The increases in interest on debt securities were primarily attributable to an increase in issuance of non-convertible debentures in order to support an increase in disbursements. The increase in finance costs was also due to an increase in interest cost on lease liabilities to ₹ 160.20 million for the Financial Year 2024 from ₹ 128.93 million for the Financial Year 2023, primarily attributable to an increase in number of lease contracts that we entered into, as our number of branches increased to 1,508 as of March 31, 2024, from 1,172 as of March 31, 2023.

Fees and commission expenses

Fees and commission expenses decreased by 1.29% to ₹ 271.85 million for the Financial Year 2024 from ₹ 275.41 million

for the Financial Year 2023, primarily due to increases in (i) digital collections to ₹ 21,128.24 million for the Financial Year 2024 by 92.86% from ₹ 10,955.40 million for the Financial Year 2023, and (ii) collection efficiency to 98.4% for the Financial Year 2024 from 95.84% for the Financial Year 2023. The increase in digital collections and collection efficiency is in line with an increase in our gross loan portfolio to ₹ 1,21,935.00 million for the Financial Year 2024 from ₹ 92,082.96 million for the Financial Year 2023.

Impairment on financial instruments

Impairment on financial instruments decreased by 18.52% to ₹ 1,819.58 million for the Financial Year 2024 from ₹ 2,233.18 million for the Financial Year 2023, primarily due to decrease in (i) loans written off to ₹ 1,319.20 million for the Financial Year 2024 from ₹ 1,402.81 million for the Financial Year 2023, (ii) loans waived off to ₹ 342.00 million for the Financial Year 2024 from ₹ 476.59 million for the Financial Year 2023, primarily attributable to an decrease in settlements with our customers during the Financial Year 2024, and (iii) provision for impairment on loan assets to ₹ 158.38 million for the Financial Year 2024 from ₹ 353.78 million for the Financial Year 2023, primarily attributable to an increase in our standard on time gross loan portfolio to ₹ 115,188.74 million for the Financial Year 2024 from ₹ 79,533.50 million for the Financial Year 2023.

Employee benefits expenses

Employee benefits expense increased by 39.09% to ₹ 4,486.55 million for the Financial Year 2024 from ₹ 3,225.58 million for the Financial Year 2023, primarily due to increases in (i) salaries and wages to ₹ 3,946.52 million for the Financial Year 2024 from ₹ 2,876.80 million for the Financial Year 2023, and (ii) contribution to provident and other funds to ₹ 314.04 million for the Financial Year 2024 from ₹ 234.01 million, which were primarily attributable to an increase in our headcount to expand our business operations and branch network, and an annual increase in salaries and bonuses of our employees. We have 13,866 employees as of March 31, 2024, as compared to 10,227 employees as of March 31, 2023. Further, the increase in employee benefits expense was also attributable to an increase in share-based payments to ₹ 93.72 million for the Financial Year 2024 from ₹ 42.11 million for the Financial Year 2023, due to stock options granted to our employees under our employee stock option scheme.

Depreciation and amortization expense

Depreciation and amortization costs increased by 33.19% to ₹ 354.37 million for the Financial Year 2024 from ₹ 266.06 million for the Financial Year 2023, primarily due to increases in (i) depreciation on property, plant and equipment to ₹ 140.20 million for the Financial Year 2024 from ₹ 104.57 million for the Financial Year 2023, and (ii) depreciation on right-of-use assets to ₹ 213.34 million for the Financial Year 2024 from ₹ 161.01 million for the Financial Year 2023, which were primarily attributable to the expansion of our business and corresponding increases in (a) net carrying amount of property, plant and equipment to ₹ 732.82 million as of March 31, 2024 from ₹ 594.37 million as of March 31, 2023, and (b) branches to 1,508 as of March 31, 2024 from 1,172 as of March 31, 2023.

Other Expenses

Other expenses increased by 50.70% to ₹ 1,272.51 million for the Financial Year 2024 from ₹ 844.41 million for the Financial Year 2023, primarily due to an increase in expenses relating to (i) Software support charges to ₹ 178.12 million for the Financial Year 2024 from ₹ 45.78 million for the Financial Year 2023, primarily attributable to increase in the expenses towards installation of Firewall. (ii) legal and professional charges to ₹ 246.52 million for the Financial Year 2024 from ₹ 149.18 million for the Financial Year 2023, (iii) traveling and conveyance to ₹ 455.92 million for the Financial Year 2024 from ₹ 347.76 million for the Financial Year 2023, primarily attributable to our expansion into new states and territories during the Financial Year 2024 which required our employees to travel, (iv) Communication expenses to ₹ 97.47 million for the Financial Year 2024 from ₹ 70.83 million for the Financial Year 2023 and (v) miscellaneous expenses to ₹ 73.95 million for the Financial Year 2024 from ₹ 61.18 million for the Financial Year 2023, primarily attributable to increases in incentives paid to customers for utilization of digital collection methods and outsourced manpower services for debt recovery and meeting expenses.

Profit before Tax

As a result of the foregoing, our profit before tax increased by 173.33% to ₹ 5,818.42 million for the Financial Year 2024 from ₹ 2,128.70 million for the Financial Year 2023.

Tax Expense

Current tax increased by 114.19% to ₹ 1,456.31 million for the Financial Year 2024 from ₹ 679.91 million for the Financial Year 2023, primarily due to an increase in taxable income to ₹ 6,197.88 million for the Financial Year 2024 from ₹ 2,701.48 million for the Financial Year 2023.

As a result of timing differences in making provisions for loan assets, gratuity and leave encashment and Ind AS adjustments, we had deferred tax of ₹ 104.80 million as of March 31, 2024.

As a result of excess provision created for tax in Financial Year 2023, we had tax reversal relating to prior years of ₹ 238.52 million as of March 31, 2024.

Profit after Tax

As a result of the foregoing, our profit after tax increased to ₹ 4,495.83 million for the Financial Year 2024 from ₹ 1,638.89 million for the Financial Year 2023, for the reasons mentioned above.

Our Financial Position

Our net worth increased by 72.49% to ₹ 28,043.53 million as of March 31, 2024, from ₹ 16,258.49 million as of March 31, 2023. The increase in net worth is primarily attributable to fresh issue of 2,61,34,205 equity shares of face value ₹ 10 each at a premium of ₹ 281.

The following table sets forth our selected financial data from our Financial Statements as of March 31, 2023 and 2024:

Particulars	₹ in millions	
	As of March 31, 2024	As of March 31, 2023
Assets:		
Total financial assets	1,13,279.22	83,167.28
Total non-financial assets	2,623.04	2,124.71
Total Assets	1,15,902.26	85,291.99
Liabilities and Equity:		
Total financial liabilities	87,498.41	68,933.13
Total non-financial liabilities	360.32	100.37
Total liabilities	87,858.73	69,033.50
Total equity	28,043.53	16,258.49
Total liabilities and equity	1,15,902.26	85,291.99

Assets

We had total assets of 1,15,902.26 million as of March 31, 2024, compared to ₹ 85,291.99 million as of March 31, 2023. The increases in total assets were on account of an increase in financial and non-financial assets.

Financial assets

Our total financial assets increased by 36.21% to ₹ 1,13,279.22 million as of March 31, 2024 from ₹ 83,167.28 million as of March 31, 2023 primarily due to increases in (i) loans to ₹ 94,357.00 million as of March 31, 2024 from ₹ 70,266.85 million as of March 31, 2023, (ii) cash and cash equivalents to ₹ 9,576.65 million as

of March 31, 2024 from ₹ 7,594.55 million as of March 31, 2023, and (iii) bank balances other than cash and cash equivalent to ₹ 6,210.62 million as of March 31, 2024 from ₹ 3,909.58 million as of March 31, 2023, in line with an increase in active customers, disbursements and gross loan portfolio.

Non-financial assets

Our total non-financial assets increased by 23.45% to ₹ 2,623.04 million as of March 31, 2024 from ₹ 2,124.71 million as of March 31, 2023 primarily due to increases in (i) right-of-use assets to ₹ 1,410.87 million as of March 31, 2024 from ₹ 1,121.72 million as of March 31, 2023, and (ii) property, plant and equipment to ₹ 732.82 million as of March 31, 2024 from ₹ 594.37 million

as of March 31, 2023, which were primarily attributable to the expansion of our business and increase in branches. (iii) increase in current tax assets (net) to ₹ 131.13 million as of March 31, 2024 from ₹ 104.60 million as of March 31, 2023.

Liabilities

We had total liabilities of ₹ 87,858.73 million as of March 31, 2024, compared to ₹ 69,033.50 million as of March 31, 2023 due to an increase in financial and non-financial liabilities.

Financial liabilities

Our total financial liabilities increased by 26.93% to ₹ 87,498.41 million as of March 31, 2024 from ₹ 68,933.13 million as of March 31, 2023 primarily due to an increase in (i) borrowings (other than debt securities) to ₹ 73,969.33 million as of March 31, 2024 from ₹ 51,230.25 million as of March 31, 2023, primarily attributable to an increase in the borrowings from banks and financial institutions, under Securitisation arrangement and External Commercial Borrowing. This was partially offset by decrease in Debt Securities to ₹ 9,624.36 million in Financial Year 2024 from 13,216.67 in Financial Year 2023.

Non-financial liabilities

Our total non-financial liabilities increased by 258.99% to ₹ 360.32 million as of March 31, 2024 from ₹ 100.37 million as of March 31, 2023 primarily due to an increase in provisions to ₹ 110.09 million as of March 31, 2024 from ₹ 36.13 million as of March 31, 2023 and also an increase in other non-financial liabilities to ₹ 157.19 million as of March 31, 2024 from ₹ 64.24 million as of March 31, 2023.

Equity

Our total equity increased by 72.49% to ₹ 28,043.53 million as of March 31, 2024 from ₹ 16,258.49 million as of March 31, 2023

primarily due to increases in (i) Equity Share capital to ₹ 1,704.93 million as of March 31, 2024 from ₹ 1,401.98 million as of March 31, 2023, primarily attributable to fresh issue of 2,61,34,205 equity shares of ₹ 10 each and conversion of Compulsorily Convertible Preference Shares to equity at 1:1.1781; (ii) other equity to ₹ 26,338.60 million as of March 31, 2024 from ₹ 14,856.51 million as of March 31, 2023, primarily attributable to increases in (a) securities premium to ₹ 16,221.02 million as of March 31, 2024 from ₹ 9,473.77 million as of March 31, 2023 consequent to the fresh issue of shares at a premium of ₹ 281, (b) reserve fund to ₹ 2,019.66 million as of March 31, 2024 from ₹ 1,120.50 million as of March 31, 2023, (c) loan assets through other comprehensive income to ₹ 1,267.36 million as of March 31, 2024 from ₹ 1,103.62 million as of March 31, 2023, (d) retained earnings to ₹ 6,963.65 million as of March 31, 2024 from ₹ 3,393.95 million as of March 31, 2023.

Liquidity and Capital Resources

Liquidity

As of March 31, 2024, we had cash available for use in our operations of ₹ 9,576.65 million. We currently invest our surplus cash in fixed deposits with various banks and debt mutual funds.

We regularly monitor our funding levels to ensure we can satisfy the requirements for maturity of our liabilities. We maintain diverse sources of funding and liquid assets to facilitate flexibility in meeting our liquidity requirements. Liquidity is provided principally by short-term and long-term borrowings from banks and other entities, recovery on our loan portfolio, proceeds from securitization and assignment of loans, issue of debentures, sales of equity securities and retained earnings.

Cash Flows

The following table summarizes our cash flows for the Financial Years 2023 and 2024.

Particulars	(₹ in millions)	
	For the Financial Year 2024	For the Financial Year 2023
Net cash used in operating activities	(21,252.61)	(23,328.81)
Net cash used in investing activities	(2,253.28)	(1,800.30)
Net cash generated from financing activities	25,487.99	25,665.40
Net (decrease)/increase in cash and cash equivalents	1,982.10	536.28

Operating Activities

Net cash used in operating activities was ₹ 21,252.61 million for the Financial Year 2024. We had profit before tax of ₹ 5,818.42 million for the Financial Year 2024, which was primarily adjusted for impairment on financial instruments of ₹ 1,819.58 million, depreciation and amortisation of ₹ 354.37 million, adjustments towards effective interest rate in respect of loan assets of ₹ 285.64 million, working capital changes such as an increase in loans of ₹ 23,700.50 million and an increase in other receivables of ₹ 1,852.74 million, and gain on sale of loan asset through direct assignment of ₹ 2,276.05 million.

Net cash used in operating activities was ₹ 23,328.81 million for the Financial Year 2023. We had profit before tax of ₹ 2,128.70 million for the Financial Year 2023, which was primarily adjusted for impairment on financial instruments of ₹ 2,233.18 million, depreciation and amortization of ₹ 266.06 million and adjustments towards effective interest rate in respect of loan assets of ₹ 203.80 million and working capital changes such as increase in loans of ₹ 27,058.51 million and a increase in other financial liabilities of ₹ 1,089.92 million, and gain on sale of loan asset through direct assignment of ₹ 1,115.37 million.

Investing Activities

Net cash used in investing activities was ₹ 2,253.28 million for the Financial Year 2024, which primarily related to investment in term deposits with banks (net) of ₹ 2,301.04 million, and purchase of tangible assets (including capital advances, capital creditors and capital work in progress) and intangible assets of ₹ 276.34 million, which was partially offset by profit on sale of investments of ₹ 156.78 million and investment in equity instrument of ₹ 166.50 million.

Net cash used in investing activities was ₹ 1,800.30 million for the Financial Year 2023, which primarily related to investment in term deposits with banks (net) of ₹ 968.69 million, investment in equity instruments of ₹ 633.14 million and purchase of tangible assets (including capital advances, capital creditors and capital work in progress) and intangible assets of ₹ 281.79 million, which was partially offset by profit on sale of investments of ₹ 83.35 million.

Financing Activities

Net cash generated from financing activities was ₹ 25,487.99 million for the Financial Year 2024. This primarily resulted from proceeds from issue of equity shares of ₹ 7,600.00 million, proceeds from borrowings of ₹ 44,949.44 million, proceeds from securitization arrangement of ₹ 21,197.21 million, and proceeds from debt securities of ₹ 3,000.00 million, partially offset by repayment of borrowings of ₹ 28,055.55 million, repayment of securitization arrangement of ₹ 15,206.02 million, repayment of debt securities of ₹ 7,163.84 million and share issue expenses of ₹ 549.81 million.

Net cash generated from financing activities was ₹ 25,665.40 million for the Financial Year 2023. This primarily resulted from proceeds from borrowings of ₹ 36,394.80 million, proceeds from securitization arrangement of ₹ 13,092.63 million, and proceeds from debt securities of ₹ 9,091.27 million, partially offset by repayment of borrowings of ₹ 22,168.21 million, repayment of securitization arrangement of ₹ 8,966.65 million and repayment of debt securities of ₹ 2,121.26 million.

Capital Expenditure

During the Financial Years 2023 and 2024, we invested ₹ 281.79 million and ₹ 276.34 million, respectively in capital expenditure. The following table sets forth our capital expenditure for the periods mentioned:

Particulars	₹ in millions	
	For the Financial Year 2024	For the Financial Year 2023
Tangible Assets (including capital advances and capital work-in-progress)	275.57	279.23
Intangible Assets (including capital advances and capital work-in-progress)	0.77	2.56
Total	276.34	281.79

Contractual Obligations

The following table sets forth a summary of the maturity profile of our contractual obligations as of March 31, 2024:

Particulars	Payment due by period				Total
	On demand	Less than one year	One to five years	More than 5 years	
Trade payables		138.85			138.85
Salaries and bonus payable		198.14			198.14
Lease liabilities		350.76	1,298.74	743.30	2,392.80
Payable towards assigned portfolio		512.12			512.12
Interest accrued but not due on borrowings	520.49	132.52	1.70		654.71
Other payable		755.87			755.87
Other non-financial liabilities	157.19				157.19
Total	677.68	2,088.76	1,300.44	743.30	4,809.68

Assignment Arrangements

During the Financial Years 2023 and 2024, we have assigned loans of ₹ 18,322.48 million and ₹ 27,133.93 million, respectively. The following table sets forth information regarding our direct assignment activity during the Financial Years 2023 and 2024.

Particulars	₹ in millions	
	For the Financial Year 2024	For the Financial Year 2023
Total book value of the loan asset assigned	27,133.93	18,322.48
Sale consideration received for the loan asset assigned	23,269.07	16,133.49

Under the agreements for the assignment of loans, we transfer all the rights and obligations relating to the loan assets assigned as shown above to banks.

Contingent Liabilities and Commitments

As at March 31, 2024, credit enhancements provided by our Company towards securitisation transactions aggregated to ₹ 5,498.00 million.

Capital to Risk Asset Ratios

The NBFC-SI Master Directions require all NBFC-MFIs to maintain a capital adequacy ratio consisting of Tier I and Tier II capital that is not less than 15.00% of their aggregate risk-weighted assets. Our capital to risk assets ratio as of March 31, 2024 and March 31, 2023 was 28.97%, 21.87% respectively.

Our capital adequacy information as of periods indicated below is as follows:

Particulars	(₹ in millions)	
	As of March 31, 2024	As of March 31, 2023
Tier I capital ⁽¹⁾	24,842.52	13,638.38
Tier II capital ⁽²⁾	-	-
Total Tier I and Tier II capital	24,842.52	13,638.38
Total risk weighted assets	85,757.43	62,358.19
Tier I capital to risk assets ratio (%)	28.97%	21.87%
Tier II capital to risk assets ratio (%)	-	-
Total capital to risk assets ratio ⁽³⁾ (%)	28.97%	21.87%

Notes:

⁽¹⁾ Tier I capital include (i) paid-up capital (ordinary shares), statutory reserves, and other disclosed free reserves, if any; (ii) perpetual non-cumulative preference shares eligible for inclusion as Tier I capital, subject to laws in force from time to time; (iii) innovative perpetual debt instruments eligible for inclusion as Tier I capital; and (iv) capital reserves representing surplus arising out of sale proceeds of assets, as reduced by investment in shares of other NBFCs 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, 10% of the owned fund as defined in the Master Circular on Prudential Norms on Capital Adequacy, Basel I Framework dated July 1, 2015 issued by the RBI.

⁽²⁾ Tier II capital include undisclosed reserves, revaluation reserves, general provisions and loss reserves, hybrid capital instruments, subordinated debt and investment reserve account to the extent the aggregate does not exceed Tier I capital.

⁽³⁾ The total capital to risk assets ratio is calculated as capital funds (Tier I capital plus Tier II capital) divided by risk-weighted assets (the weighted average of funded and non-funded items after applying the risk weights as assigned by the RBI).



Financial Statements

INDEPENDENT AUDITOR'S REPORT

To
The members of
Muthoot Microfin Limited

Report on the audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Muthoot Microfin Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statement").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at March 31, 2024 and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Key Audit Matters

Impairment of loans to customers:

As at March 31, 2024 the Company has reported total gross loan assets of ₹ 96,235.55 Mn (March 2023: ₹ 71,987.02 Mn) against which an impairment loss of ₹ 1,878.55 Mn (March 2023: ₹ 1,720.17 Mn) has been recorded.

The calculation of impairment losses on loans is complex and is based on application of significant management judgement and the use of different modelling techniques and assumptions which have a material impact on reported profits. The Company has applied a three-stage approach based on changes in credit quality to measure expected credit loss on loans. The key areas where we identified greater levels of management judgement and therefore, increase level of audit focus in the Company's estimation of ECL's are:

- Staging of loans and determining the criteria for a significant increase in credit risk.
- Model estimations – the most significant judgement aspects are determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD")

Basis for opinion

We conducted our audit of the standalone financial statement in accordance with the Standards on Auditing ("Standards" or "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 standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements taken as a whole, in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the key audit matters as described below:

How our audit addressed the key audit matters

Our key audit procedures included:

- Review of the Company's accounting policies for impairment of loan assets in terms of accounting principles laid down in Ind AS 109 and the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued from time to time.
- Understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation so as to evaluate the reasonableness of the Management estimates.
- Assessed and tested the design and operating effectiveness of key manual and automated controls over completeness and accuracy of the key inputs and assumptions considered for calculation, recording and monitoring of the impairment loss recognized. Also, evaluated the controls over the modelling process, validation of data and related approvals.
- Tested the ECL model, including assumptions and underlying computation.

Key Audit Matters	How our audit addressed the key audit matters
<ul style="list-style-type: none"> Determining macro-economic factors impacting credit quality of receivables <p>ECL involves an estimation of probability weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecast of future economic conditions which could impact the credit quality of the Company's loans and advances. In view of such high degree of Management's judgement involved in estimation of ECL, it is a key audit matter.</p>	<ul style="list-style-type: none"> Performed analytical reviews of disaggregated data to observe any unusual trends warranting additional audit procedures; Assessed disclosures included in the standalone financial statements in respect of expected credit losses.
<p>IT systems and controls:</p> <p>The Company's key financial accounting and reporting processes are highly dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. Accordingly, we identified IT systems and controls over financial reporting as a key audit matter for the Company.</p>	<ul style="list-style-type: none"> We tested the design and operating effectiveness of the Company's IT access controls over the information systems that are important to financial reporting and various interfaces, configuration and other identified application controls. Review of internal reports and samples used for testing of IT related general controls We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing requests for access to systems were reviewed and authorized. We tested requests of changes to systems for approval and authorization. We also tested the design and operating effectiveness of certain automated controls that were considered as key internal controls over financial reporting.

Information other than the standalone financial statements and Auditor's report thereon

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the Board's report and management discussion and analysis included in the annual report but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Managements and Board of Directors responsibilities for the standalone financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair

view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS. 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 financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free

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

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

- A. Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- B. 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 Company has adequate internal financial controls over financial reporting and the operating effectiveness of such controls
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- D. 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.
- E. Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and

qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

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

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of section 143 (11) of the Act, we give in the "**Annexure A**" to this report, 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 and based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The balance sheet, the statement of profit and loss including other comprehensive income, the statement of cash flows and statement of changes in equity dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
 - 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 is 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 of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**" our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
- g) Based on our audit, we report that the company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.
- 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 does not have any pending litigation which would impact its financial position as at March 31, 2024.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2024.
 - iii. There were no amounts which were required to be transferred to the investor education and protection fund by the company during the year ended March 31, 2024.
 - iv. Reporting on rule 11(e):
 - (a) The Management has represented that, to the best of its knowledge and belief, as stated in note no. 49(xiii) no funds (which are material either individually or in the 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(s) or entity(ies), including foreign entities ("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 Management has represented, that, to the best of its knowledge and belief, as

stated in note no. 49(xiv), no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company 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 that has 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. During the previous year, the Company has not declared/paid dividend. Accordingly, reporting under section 123 of the Act is not applicable.
- vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account 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 50 to the standalone financial statement.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 01, 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.

Sharp & Tannan Associates

Chartered Accountants
Firm's Registration no. 109983W
by the hand of

CA Tirtharaj Khot

Partner
Membership no.(F) 037457
UDIN: 24037457BKGEGN5881

Pune, May 06, 2024

Annexure A to the Independent Auditor's Report

With referred to paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our report to the members of Muthoot Microfin Limited ("the Company") on even date we report the following

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- (i) (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of Right-of-use Assets.
- (B) The Company is maintained proper records showing full particulars of intangible assets.
- (b) The Company has regular programme of physical verification of its Property, Plant and Equipment which, in our opinion, is reasonable having regard to the size of the Company and nature of its business. During the year, the Property, Plant and Equipment were physically verified by the Management. No material discrepancies were noticed on such verification.
- (c) The company does not hold any immovable properties. Accordingly, reporting under paragraph 3(i)(c) of the order is not applicable.
- (d) During the year, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or Intangible Assets. Accordingly, reporting under paragraph 3(i)(d) of the Order is not applicable.
- (e) No proceedings have been initiated or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder. Accordingly, reporting under paragraph 3(i)(e) is not applicable.
- (ii) (a) The Company does not hold any inventory as it is primarily engaged in lending activities. Accordingly, reporting under paragraph 3(ii)(a) of the Order is not applicable.

- (b) During the year, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions. Accordingly, reporting under paragraph 3(ii)(b) of the Order is not applicable.

- (iii) The Company is a non-deposit taking non-banking financial company ("NBFC") registered with the Reserve Bank of India ("RBI").

During the year, the Company has not provided guarantee / security to companies, firms, limited liability partnerships and other parties. During the year, in the ordinary course of its business, the Company has made investments, granted loans and advances in the nature of loans, unsecured, to companies, firms, limited liability partnerships and other parties. With respect to such investments, guarantees / security 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) The company has not provided guarantees / security. Investment made and the terms and conditions of the grant of all loans and advances in the nature of loans in the normal course of business, prima facie are not prejudicial to the interest of the Company;
- (c) In respect of loans and advances in the nature of loans granted during the year in the ordinary course of business, the schedule of repayment of principal and payment of interest have been stipulated and the repayment of loan and receipts of interest are generally regular except there were cases which were not repaid / paid when they were due or were repaid / paid with a delay. Such loans have been accounted for in accordance with the Company's policy on asset classification and provisioning as described in note 1 (viii) and (xi) to the standalone financial statements.

Having regard to the voluminous nature of loan transactions, it is not practicable to furnish party-wise details of irregularities in this report. However, such details are available with the Company. For details of total loans and advances which were overdue as of March 31, 2024 refer note 41 to the standalone financial statements.

- (d) The following amounts are overdue for more than ninety days from any other parties to whom loan has been granted. The Company has taken reasonable steps for recovery of the overdue amount of principal and interest.

(Amount in ₹)			
Number of Cases	Principal Amount Overdue	Interest Overdue	Total Overdue
4,02,677	1,19,73,20,318	20,59,81,633	1,40,33,01,951

- (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.
- (iv) The Company has not advanced loans or made investments in or provided guarantees or security to parties covered by section 185 and 186 of the Companies Act, 2013. Accordingly, reporting under paragraph 3(iv) of the Order is not applicable.
- (v) The Company is a non-banking finance company and consequently is exempt from provisions of section 73 or any other relevant provisions of the Companies Act. Accordingly, reporting under paragraph 3(v) of the Order is not applicable.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013, for the business activities carried out by the Company. Accordingly, reporting under paragraph 3 (vi) of the Order is not applicable.
- (vii) In respect of statutory dues:
- (a) The Company is regular in depositing undisputed statutory dues including Goods and Services Tax (GST), employees' state insurance, income-tax and cess, any other statutory dues, as applicable, to the appropriate authorities. Based on verification carried out by us on test basis, there are no arrears of statutory dues outstanding as on the last day of the financial year concerned for a period of more than six months from the date, they became payable.
- (b) There are no disputed dues of income tax, GST etc. as at March 31, 2024 which have not been deposited.
- (viii) There are no transactions which are not recorded in the books of account and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) (a) The company has not defaulted in repayment of loans/ other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared as wilful defaulter by any bank or financial institution or other lender.
- (c) The term loans availed by the Company during the year, were applied by the Company for the purposes for which the loans were obtained.
- (d) Funds raised on short term basis have not been utilised for long term purposes.
- (e) The Company does not have subsidiary, associate, or joint venture. Accordingly, reporting on paragraph 3(ix)(e) of the Order is not applicable.
- (f) The Company does not have subsidiary, associate, or joint venture. Accordingly, reporting on paragraph 3(ix)(f) of the Order is not applicable.
- (x) (a) During the year, the Company has raised monies by way of Initial Public Offer and the same were applied for the purposes for which those are raised.
- (b) During the year, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible).
- (xi) (a) Except for cases aggregating to 23.46 Mn which largely pertains to cheating, forgery, misappropriation and criminal breach of trust, we have neither come across any instance of fraud by the Company or any material instance of fraud on the Company by its officers or employees, noticed or reported.
- (b) No report under section 143(12) of the Companies Act, 2013 has been filed during the year by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) No whistle-blower complaints were received during the year by the Company.
- (xii) The Company is not a Nidhi Company and hence reporting under paragraph 3(xii) of the Order is not applicable.
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of the Act and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) The Company has an adequate internal audit system commensurate with the size and nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) During the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 ("RBI Act") and it has obtained the registration.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the RBI 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. Accordingly, reporting on paragraph 3(xvi)(c) of the Order is not applicable.
- (d) The Group does not have CIC. Accordingly, reporting on paragraph 3(xvi)(d) of the Order is not applicable
- (xvii) The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting on para 3(xviii) of the order is not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report, that Company is not 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.
- (xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to section 135(5) of the said Act. Accordingly, reporting under paragraph 3(xx)(a) of the Order is not applicable for the year.
- (b) There is no unspent amount towards Corporate Social Responsibility (CSR) in respect of ongoing projects requiring a transfer to a special account in compliance with of section 135(6) of the Act. Accordingly, reporting on para 3(xx)(b) of the order is not applicable.
- (xxi) The Company does not have subsidiary, associate or joint venture hence is not required to prepare consolidated financial statements. Accordingly, reporting on paragraph 3(xxi) of the Order is not applicable.

Sharp & Tannan Associates

Chartered Accountants
Firm's Registration no. 109983W
by the hand of

CA Tirtharaj Khot

Partner
Membership no.(F) 037457
UDIN: 24037457BKGEEN5881

Pune, May 06, 2024

Annexure B

to the Independent Auditor's Report

Referred to in paragraph 2 (f) under, "Report on other legal and regulatory requirements" of our report to the members of Muthoot Microfin Limited of even date:

Report on the Internal Financial Controls

[under Clause (i) of section 143(3) of the Companies Act, 2013 ("the Act")]

Opinion

We have audited the internal financial controls over financial reporting of Muthoot Microfin Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2024, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the guidance note") issued by the Institute of Chartered Accountants of India ("ICAI").

Managements and Board of Directors responsibility for internal financial controls

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

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the guidance

note and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

Meaning of internal financial controls over financial reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone 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 standalone 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 (3) 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 standalone 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.

Sharp & Tannan Associates

Chartered Accountants
Firm's Registration no. 109983W
by the hand of

CA Tirtharaj Khot

Partner
Membership no.(F) 037457
UDIN: 24037457BKGEEN5881

Pune, May 06, 2024

BALANCE SHEET

as at March 31, 2024

(All amounts in INR millions, unless stated otherwise)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
Assets			
Financial assets			
Cash and cash equivalents	2	9,576.65	7,594.55
Bank balances other than cash and cash equivalents	3	6,210.62	3,909.58
Receivables			
Other receivables	4	2,574.84	722.10
Loans	5	94,357.00	70,266.85
Investments	6	467.09	633.59
Other financial assets	7	93.02	40.61
		1,13,279.22	83,167.28
Non-financial assets			
Current tax asset (net)	8	131.13	104.60
Deferred tax asset (net)	17	-	57.75
Property, plant and equipment	9	732.82	594.37
Right-of-use assets	10	1,410.87	1,121.72
Other intangible assets	11	2.86	2.92
Other non-financial assets	12	345.36	243.35
		2,623.04	2,124.71
Total		1,15,902.26	85,291.99
Liabilities and Equity			
Liabilities			
Financial liabilities			
Payables			
Other payables			
total outstanding dues of micro enterprises and small enterprises	13	24.79	-
total outstanding dues of creditors other than micro enterprises and small enterprises	13	114.06	119.27
Debt securities	14	9,624.36	13,701.51
Borrowings (other than debt securities)	15	73,969.33	51,230.25
Lease liability	10	1,645.03	1,299.40
Other financial liabilities	16	2,120.84	2,582.70
		87,498.41	68,933.13
Non Financial liabilities			
Deferred tax liability (net)	17	93.04	-
Provisions	18	110.09	36.13
Other non financial liabilities	19	157.19	64.24
		360.32	100.37
Equity			
Share capital	20	1,704.93	1,401.98
Other equity	21	26,338.60	14,856.51
		28,043.53	16,258.49
Total		1,15,902.26	85,291.99
Summary of Material Accounting Policies	1		

The accompanying notes are an integral part of the financial statements.

This is the balance sheet referred to in our report of even date.

For Sharp & Tannan Associates

Chartered Accountants

Firm's Registration No.: 109983W

Tirtharaj Khot

Partner

Membership No.: 037457

Place: Pune

Date: 06 May 2024

For and on behalf of the Board of Directors of

Muthoot Microfin Limited**Thomas Muthoot**

Managing Director

DIN: 00082099

Place: Kochi

Praveen T

Chief Financial Officer

Place: Kochi

Thomas John Muthoot

Director

DIN: 00011618

Place: Kochi

Neethu Ajay

Chief Compliance Officer &

Company Secretary

Place: Kochi

Thomas George Muthoot

Director

DIN: 00011552

Place: Kochi

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2024

(All amounts in INR millions, unless stated otherwise)

Particulars	Notes	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from operations			
Interest income	22	19,849.05	12,906.45
Fees and commission income	23	409.09	173.22
Net gain on fair value changes	24	2,276.05	1,115.37
Income on investments	25	156.78	83.35
Sale of services		10.83	9.25
Total revenue from operations		22,701.80	14,287.64
Other income	26	153.10	175.80
Total income		22,854.90	14,463.44
Expenses			
Finance costs	27	8,831.62	5,490.10
Fees and commission expenses	28	271.85	275.41
Impairment on financial instruments	29	1,819.58	2,233.18
Employee benefits expenses	30	4,486.55	3,225.58
Depreciation and amortisation expense	31	354.37	266.06
Other expenses	32	1,272.51	844.41
Total expenses		17,036.48	12,334.74
Profit before tax		5,818.42	2,128.70
Tax expense			
Current tax	34	1,456.31	679.91
Deferred tax	34	104.80	(142.59)
Tax relating to prior years		(238.52)	(47.51)
Profit for the Period/ Year (A)		4,495.83	1,638.89
Other Comprehensive income			
Items that will not be reclassified to profit and loss			
Remeasurement of the net defined benefit (liability)/asset		(36.04)	(22.09)
Income tax relating to the above		9.07	5.56
Items that will be reclassified to profit and loss			
Remeasurement of loan assets		218.81	548.84
Income tax relating to the above		(55.07)	(138.14)
Other comprehensive income/(loss) for the Period/ Year, net of tax (B)		136.77	394.17
Total comprehensive income/(loss) for the Period/ Year (A+B)		4,632.60	2,033.06
Earning per equity share (face value of ₹ 10 each)	33		
Basic (₹)		30.20	14.19
Diluted (₹)		30.20	11.98
Summary of Material Accounting Policies	1		

The accompanying notes are an integral part of the financial statements.

This is the statement of profit and loss referred to in our report of even date.

For Sharp & Tannan Associates

Chartered Accountants

Firm's Registration No.: 109983W

Tirtharaj Khot

Partner

Membership No.: 037457

Place: Pune

Date: 06 May 2024

For and on behalf of the Board of Directors of

Muthoot Microfin Limited

Thomas Muthoot

Managing Director

DIN: 00082099

Place: Kochi

Praveen T

Chief Financial Officer

Place: Kochi

Thomas John Muthoot

Director

DIN: 00011618

Place: Kochi

Neethu Ajay

Chief Compliance Officer &
Company Secretary

Place: Kochi

Thomas George Muthoot

Director

DIN: 00011552

Place: Kochi

CASH FLOW STATEMENT

for the year ended March 31, 2024

(All amounts in INR millions, unless stated otherwise)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Cash flows from operating activities		
Profit before tax	5,818.42	2,128.70
Adjustments		
Depreciation and amortisation	354.37	266.06
(Gain)/loss on sale of tangible assets	(0.82)	0.03
Provision for employee benefits	47.13	17.67
Impairment on financial instruments	1,819.58	2,233.18
Income from Investments	(156.78)	(83.35)
Interest income on security deposits	(4.12)	(3.31)
Gain on termination of lease	(4.54)	(2.46)
Gain on sale of loan asset through direct assignment	(2,276.05)	(1,115.37)
Adjustments towards effective interest rate in respect of loan assets	285.64	203.80
Adjustments towards effective interest rate in respect of debt securities, borrowings and subordinate liabilities	(59.30)	(106.91)
Share based payments	93.72	42.11
Adjustment on account of consolidation of ESOP trust	(12.39)	(0.60)
Finance cost on leases	160.20	128.93
Operating profit before working capital changes	6,065.06	3,708.48
Working capital changes		
(Increase)/decrease in loans	(23,700.50)	(27,058.51)
(Increase)/decrease in other receivables	(1,852.74)	(554.37)
(Increase)/decrease in other financial assets	(56.46)	(10.89)
(Increase)/decrease in other non financial assets	(105.10)	(165.85)
Increase/(decrease) in other payables	19.58	43.93
Increase/(decrease) in other financial liabilities	(461.86)	1,089.92
Increase/(decrease) in provisions	(9.21)	(53.00)
Increase/(decrease) in other non financial liabilities	92.95	13.02
Cash (used in)/generated from operating activities	(20,008.28)	(22,987.27)
Income taxes paid (net)	(1,244.33)	(341.54)
Net cash (used in)/generated from operating activities	(21,252.61)	(23,328.81)
Cash flows from investing activities		
Purchase of tangible assets (including capital advances, capital creditors and capital work in progress) and intangible assets	(276.34)	(281.79)
Investment in term deposits with banks (net)	(2,301.04)	(968.69)
Investment in equity instruments	166.50	(633.14)
Proceeds from sale of tangible assets	0.82	(0.03)
Profit on sale of investments	156.78	83.35
Net cash (used in)/generated from investing activities	(2,253.28)	(1,800.30)

CASH FLOW STATEMENT

for the year ended March 31, 2024

(All amounts in INR millions, unless stated otherwise)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Cash flows from financing activities		
Proceeds from issue of equity shares	7,600.00	272.16
Proceeds from issue of preference shares	-	818.12
Share issue expenses	(549.81)	-
Proceeds from borrowings	44,949.44	36,394.80
Proceeds from debt securities	3,000.00	9,091.27
Proceeds from securitisation arrangement	21,197.21	13,092.63
Repayment of borrowings	(28,055.55)	(22,168.21)
Repayment of debt securities	(7,163.84)	(2,121.26)
Repayment of securitisation arrangement	(15,206.02)	(8,966.65)
Repayment of Subordinated Liabilities	-	(250.00)
Proceeds from treasury shares	20.91	(272.16)
Payment of lease liabilities	(304.34)	(225.30)
Net cash (used in)/generated from financing activities	25,487.99	25,665.40
Net (decrease)/increase in cash and cash equivalents	1,982.10	536.28
Cash and cash equivalents as at the beginning of the Period/ Year	7,594.55	7,058.27
Cash and cash equivalents as at the end of the Period/ Year	9,576.65	7,594.55
Operational cash flows from interest		
Interest paid	8,903.65	4,607.20
Interest received	18,608.32	11,441.52
* The Statement of Cash Flows has been presented using indirect method as per the requirements of Ind AS 7 - Statement of Cash Flows		

Summary of Material Accounting Policies (Refer Note 1)

The accompanying notes are an integral part of the financial statements.
This is the cash flow statement referred to in our report of even date.

For Sharp & Tannan Associates
Chartered Accountants
Firm's Registration No.: 109983W

For and on behalf of the Board of Directors of
Muthoot Microfin Limited

Tirtharaj Khot
Partner
Membership No.: 037457
Place: Pune

Thomas Muthoot
Managing Director
DIN: 00082099
Place: Kochi

Thomas John Muthoot
Director
DIN: 00011618
Place: Kochi

Thomas George Muthoot
Director
DIN: 00011552
Place: Kochi

Praveen T
Chief Financial Officer

Neethu Ajay
Chief Compliance Officer &
Company Secretary
Place: Kochi

Date: 06 May 2024

Place: Kochi

STATEMENT OF CHANGES IN EQUITY

(All amounts in INR millions, unless stated otherwise)

A Equity share capital

Particulars	Balance as at April 1, 2022	Change in equity share capital during the year	Balance as at March 31, 2023	Change in equity share capital during the year	Balance as at March 31, 2024
Equity shares of ₹ 10 each, issued, subscribed and fully paid up	1,141.71	26.67	1,168.38	536.55	1,704.93

B Preference Share Capital

Particulars	Balance as at April 1, 2022	Change in preference share capital during the year	Balance as at March 31, 2023	Change in preference share capital during the year	Balance as at March 31, 2024
Compulsorily Convertible Preference Shares of ₹ 10 each, issued, subscribed and fully paid up	191.62	41.98	233.60	(233.60)	-

C Other equity

Particulars	Reserves and surplus						Other Comprehensive Income	Total
	Securities premium	Reserve fund u/s 45-IC of RBI Act 1934	Treasury shares	General reserves	Employee stock options outstanding	Retained earnings	Loan assets through other comprehensive income	
Balance as at April 1, 2022	8,452.14	792.72	(25.40)	8.48	12.23	2,099.37	692.92	12,032.46
Profit for the year	-	-	-	-	-	1,638.89	-	1,638.89
Transferred from retained earnings to reserve fund u/s 45-IC of RBI Act 1934	-	327.78	-	-	-	(327.78)	-	-
Provision for proposed dividend	-	-	-	-	-	-	-	-
Provision for tax on proposed dividend	-	-	-	-	-	-	-	-
Changes during the year in employee stock options outstanding	-	-	-	-	42.11	-	-	42.11
Proceeds on transfer during the year	-	-	(272.16)	-	-	-	-	(272.16)
Adjustment on account of consolidation of ESOP trust	-	-	-	(0.60)	-	-	-	(0.60)
Premium on issue of Equity shares	245.49	-	-	-	-	-	-	245.49
Premium on issue of Compulsorily Convertible Preference Shares	776.14	-	-	-	-	-	-	776.14
Share issue expenses	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	(22.09)	548.84	526.75
Income tax relating to items of other comprehensive income	-	-	-	-	-	5.56	(138.14)	(132.58)
Balance as at March 31, 2023	9,473.77	1,120.50	(297.56)	7.89	54.34	3,393.95	1,103.62	14,856.51

STATEMENT OF CHANGES IN EQUITY

(All amounts in INR millions, unless stated otherwise)

C Other equity (Contd..)

Particulars	Reserves and surplus						Other Comprehensive Income	Total
	Securities premium	Reserve fund u/s 45-IC of RBI Act 1934	Treasury shares	General reserves	Employee stock options outstanding	Retained earnings	Loan assets through other comprehensive income	
Profit for the year	-	-	-	-	-	4,495.83	-	4,495.83
Transferred from retained earnings to reserve fund u/s 45-IC of RBI Act 1934	-	899.17	-	-	-	(899.17)	-	-
Provision for proposed dividend	-	-	-	-	-	-	-	-
Provision for tax on proposed dividend	-	-	-	-	-	-	-	-
Changes during the year in employee stock options outstanding	-	-	-	-	93.72	-	-	93.72
Proceeds on transfer during the year	-	-	20.91	-	-	-	-	20.91
Adjustment on account of consolidation of ESOP trust	-	-	-	(12.39)	-	-	-	(12.39)
Premium on issue of Equity shares	7,338.66	-	-	-	-	-	-	7,338.66
Premium on issue of Compulsorily Convertible Preference Shares	-	-	-	-	-	-	-	-
Share issue expenses	(549.81)	-	-	-	-	-	-	(549.81)
Adjusted for CCPS conversion	(41.60)	-	-	-	-	-	-	(41.60)
Other comprehensive income	-	-	-	-	-	(36.04)	218.81	182.77
Income tax relating to items of other comprehensive income	-	-	-	-	-	9.07	(55.07)	(46.00)
Balance as at March 31, 2024	16,221.02	2,019.66	(276.65)	(4.50)	148.06	6,963.65	1,267.36	26,338.60

The accompanying notes are an integral part of the financial statements.

This is the statement of changes in equity referred to in our report of even date.

For Sharp & Tannan Associates
Chartered Accountants
Firm's Registration No.: 109983W

For and on behalf of the Board of Directors of
Muthoot Microfin Limited

Tirtharaj Khot
Partner
Membership No.: 037457
Place: Pune

Thomas Muthoot
Managing Director
DIN: 00082099
Place: Kochi

Thomas John Muthoot
Director
DIN: 00011618
Place: Kochi

Thomas George Muthoot
Director
DIN: 00011552
Place: Kochi

Praveen T
Chief Financial Officer

Neethu Ajay
Chief Compliance Officer &
Company Secretary

Date: 06 May 2024

Place: Kochi

Place: Kochi

NOTES FORMING PART OF FINANCIAL STATEMENTS

for the year ended March 31, 2024

(All amounts in INR millions, unless stated otherwise)

1. Summary of material accounting policies and other explanatory information

a) Company overview

Muthoot Microfin Limited (the 'Company') was incorporated as a private limited company in the year 1992 under the erstwhile Companies Act, 1956. Effective 18 March 1998, the Company was registered as a non-deposit accepting Non-Banking Financial Company ('NBFC-ND') and is registered as a Non-Banking Financial Company – Micro Finance Institution ('NBFC-MFI') with the Reserve Bank of India ("RBI"), w.e.f. 25 March 2015. The Company's non-convertible debentures are listed on the Bombay Stock Exchange ('BSE'). During the year ended March 31, 2024, the Company has completed Initial Public Offer (IPO) of its shares. Pursuant to IPO, shares were listed on National Stock Exchange (NSE) and BSE Limited (BSE) on December 26, 2023.

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 is primarily engaged in providing financial assistance through micro loans to women engaged in small income generating activities.

b) Basis of preparation

(i) Statement of compliance with Indian Accounting Standards (Ind AS)

These financial statements ("the Financial Statements") have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies for all the periods presented in this financial statements.

(ii) Historical cost convention

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities, share based payments which are measured at fair values, and employee benefit plans which are measured using actuarial valuation, as explained in relevant accounting policies.

c) Summary of material accounting policies

i. Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in statement of profit and loss.

Subsequent measurement (depreciation method, useful lives and residual value)

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on the straight-line method over the useful life of the assets as prescribed under Part 'C' of Schedule II of the Companies Act, 2013.

Depreciation is calculated on pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed.

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

De-recognition

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

for the year ended March 31, 2024

(All amounts in INR millions, unless stated otherwise)

loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statement of profit and loss, when the asset is derecognised.

ii. Intangible assets

Recognition and initial measurement

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price including any import duties and other taxes (other than those subsequently recoverable from taxation authorities), borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent measurement (amortisation method, useful lives and residual value)

Intangible assets are amortised on a straight line basis from the date when the assets are available for use. Depreciation on intangible assets is provided on the straight-line method over the useful life of the assets as prescribed under Part 'C' of Schedule II of the Companies Act, 2013.

iii. Revenue recognition

Interest and processing fee income on loans

Interest and processing fee income is recorded on accrual basis using the effective interest rate (EIR) method. Additional interest/overdue interest/penal charges, if any, are recognised only when it is reasonable certain that the ultimate collection will be made.

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.

Commission income

Income from business correspondent services is recognised as and when the services are rendered as per agreed terms and conditions of the contract. A receivable is recognised when the services are delivered as this is the case of point in time recognition where consideration is unconditional because only the passage of time is required.

Miscellaneous income

All other income is recognized on an accrual basis, when there is no uncertainty in the ultimate realization/collection.

iv. Borrowing costs

All borrowing costs are charged to the Statement of Profit and Loss as incurred basis the effective interest rate method. Borrowing costs consists of interest and other cost that the Company incurred in connection with the borrowing of funds.

v. Taxation

Tax expense recognized in Statement of Profit and Loss comprises the sum of deferred tax and current tax except to the extent it recognized in other comprehensive income or directly in equity.

Current tax comprises the tax payable or receivable on taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. Current tax is computed in accordance with relevant tax regulations. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. Current 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 assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets are recognised on deductible temporary differences to the extent it is probable that the future taxable profits will be available against which they can be used. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

for the year ended March 31, 2024

(All amounts in INR millions, unless stated other wise)

tax consequences that would follow from the manner in which the Company expects, at the reporting date to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

vi. Employee benefits

Short-term employee benefits

Short-term employee benefits including salaries, short term compensated absences (such as a paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related service, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non-monetary benefits for current employees are estimated and measured on an undiscounted basis.

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

Defined Contribution plans

The Company has a defined contribution plans namely provident fund, pension fund and employees state insurance scheme. The contribution made by the Company in respect of these plans are charged to the Statement of Profit and Loss.

Defined benefit plans

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees, where in the benefit employee will receive on retirement is defined by reference to employee's length of service and last drawn salary. Under the defined benefit plan, the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The legal obligation for any benefits remains with the Company, even if plan assets for funding the defined benefit plan have been set aside. The liability recognised in the statement of financial position for defined benefit plans is the present value of the Defined Benefit Obligation (DBO) at the reporting date less the fair value of plan assets. Management estimates the DBO quarterly with the assistance of independent actuaries. Actuarial gains/losses

resulting from re-measurements of the liability/asset are included in other comprehensive income.

Other long-term employee benefits

The Company also provides the benefit of compensated absences to its employees which are in the nature of long-term employee benefit plan. Liability in respect of compensated absences becoming due and expected to be availed after one year from the Balance Sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to Statement of Profit and Loss in the year in which such gains or losses are determined.

vii. Share based payments

The Company has formulated an Employees Stock Option Schemes to be administered through a Trust. 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 entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in Statement of Profit and Loss, with a corresponding adjustment to equity.

viii. Impairment of financial assets

Loan assets

The Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised as below:

- a) Stage 1 (1-30 days) includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.
- b) Stage 2 (31-90 days) includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.
- c) Stage 3 (more than 90 days) includes loan assets that have objective evidence of impairment at reporting date.

NOTES FORMING PART OF FINANCIAL STATEMENTS

for the year ended March 31, 2024

(All amounts in INR millions, unless stated otherwise)

The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default, defined as follows:

Probability of Default (PD) - The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12 months PD), or over the remaining lifetime (Lifetime PD) of the obligation.

Loss Given Default (LGD) - LGD represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and preference of claim and availability of collateral or other credit support.

Exposure at Default (EAD) - EAD is based on the amounts the Company expects to be owed at the time of default. For a revolving commitment, the Company includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

Forward-looking economic information (including management overlay) is included in determining the 12-month and lifetime PD, EAD and LGD. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis.

Write-offs

Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. Any subsequent recoveries are credited to other income in statement of profit and loss.

ix. Provisions, contingent assets and contingent liabilities

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- a) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- b) Present obligations arising from past events where it is not probable that an outflow of

resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

x. Leases

Company as a lessee

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, the lease term, in exchange for consideration. The Company assesses whether a contract is, or contains, a lease on inception. The lease term is either the non-cancellable period of the lease and any additional periods when there is an enforceable option to extend the lease and it is reasonably certain that the Company will extend the term, or a lease period in which it is reasonably certain that the Company will not exercise a right to terminate. The lease term is reassessed if there is a significant change in circumstances. The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the total lease payments due on the commencement date, discounted using either the interest rate implicit in the lease, if readily determinable, or more usually, an estimate of the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- a) fixed payments, including payments which are substantively fixed;
- b) variable lease payments that depend on a rate, initially measured using the rate as at the commencement. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in a rate, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised

NOTES FORMING PART OF FINANCIAL STATEMENTS

for the year ended March 31, 2024

(All amounts in INR millions, unless stated otherwise)

in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

As permitted by Ind AS 116, the Company does not recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. Payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

xi. Financial instruments

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

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. Subsequent measurement of financial assets and financial liabilities is described below.

Non-derivative financial assets

Subsequent measurement

i. Financial assets carried at amortised cost – a financial asset is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the 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, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account 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 Statement of Profit and Loss.

ii. Financial assets carried at fair value through other comprehensive income – a financial asset is measured at fair value, with changes in fair value being carried to other comprehensive income, if both the following conditions are met:

- a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

De-recognition of financial assets

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are derecognised (i.e. removed from the Company's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Company has not retained control, it shall also derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

Non-derivative financial liabilities

Other financial liabilities - Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities, except compulsorily convertible preference shares, are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. When 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 the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

NOTES FORMING PART OF FINANCIAL STATEMENTS

for the year ended March 31, 2024

(All amounts in INR millions, unless stated otherwise)

First loss default guarantee

First loss default guarantee contracts are contracts that require the Company to make specified payments to reimburse the bank and financial institution for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks and financial institutions, for whom the Company acts as 'Business Correspondent' or avails any facilities like Term Loans, Securitization transactions etc. Any amounts forfeited by the banks or financial institutions on account of any payment failure will be adjusted in the books accordingly.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

xii. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

xiii. Foreign currency

Functional and presentation currency

Items included in the financial statement of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements have been prepared and presented in Indian Rupees (INR), which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency, by applying the exchange rates on the foreign currency amounts at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted

to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the Statement of Profit and Loss in the year in which they arise.

xiv. Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures. Actual results may differ from these estimates.

Significant management judgements

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

Business model assessment - The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets 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.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

NOTES FORMING PART OF FINANCIAL STATEMENTS

for the year ended March 31, 2024

(All amounts in INR millions, unless stated other wise)

Classification of leases – The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

Expected credit loss ('ECL') – The measurement of expected credit loss allowance for financial assets requires use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. likelihood of customers defaulting and resulting losses). The Company makes significant judgements with regard to the following while assessing expected credit loss:

- a) Determining criteria for significant increase in credit risk;
- b) Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- c) Establishing groups of similar financial assets for the purposes of measuring ECL.

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.

Significant estimates

Useful lives of depreciable/amortisable assets – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

xv. Implementation of Indian Accounting Standards by RBI

The RBI issued Circular DOR (NBFC).CC.PD. No.109/22.10.106/2019-20 dt. March 13,2020, which require Non-Banking Financial Companies (NBFCs) covered by Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 to comply with the respective circular while preparing the financial statements from financial year 2019-20 onwards.

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

2 Cash and cash equivalents

	As at March 31, 2024	As at March 31, 2023
Cash in hand	28.47	17.34
Balances with banks in current account	6,301.23	2,713.55
Balance with cash collection agents	22.54	58.01
Term deposits with residual maturity of 3 months or less with scheduled banks	3,224.41	4,805.65
	9,576.65	7,594.55

- (i) There are no repatriation restrictions with respect to cash and cash equivalents as at the end of the reporting period and prior years.
- (ii) Short-term deposits are made for varying periods of between seven days and three months, depending on the immediate cash requirements of the company, and to earn interest at the respective short-term deposit rates.
- (iii) The company has not taken bank overdraft, therefore the cash and cash equivalents for cash flow statement is same as for cash and cash equivalents.

3 Bank balances other than cash and cash equivalents

	As at March 31, 2024	As at March 31, 2023
Term deposits with bank not considered in Cash and cash equivalents	6,210.62	3,909.58
	6,210.62	3,909.58

- (i) There are no repatriation restrictions with respect to bank balances other than cash and cash equivalents as at the end of the reporting period and prior years.
- (ii) The Company earns a fixed rate of interest on these term deposits.
- (iii) Term deposits amounting to INR 5,957.35 millions (March 31, 2023: INR 3,908.44 millions) are held as pledged against borrowings and other commitments.

4 Other receivables

	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good	2,574.84	722.10
	2,574.84	722.10

Particulars	Outstanding from the due date of payment				
	Less than 6 months	6 months-1 year	1-2 year	2-3 years	More than 3 years
i) Undisputed- considered Good	2,530.43	5.93	23.49	4.52	10.47
ii) Undisputed-which have significant increase in credit risk	-	-	-	-	-
iii) Undisputed-credit impaired	-	-	-	-	-
iv) Disputed-considered good	-	-	-	-	-
v) Disputed-considered good- which have significant increase in credit risk	-	-	-	-	-
vi) Disputed-credit impaired	-	-	-	-	-

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

5 Loans

	As at March 31, 2024	As at March 31, 2023
At amortised cost		
Term loans (refer note 5.1)	64,788.88	48,829.08
Employee loans (refer note 5.3)	0.36	1.10
	64,789.24	48,830.18
At fair value through other comprehensive income		
Term loans (refer note 5.2)	29,567.76	21,436.67
	29,567.76	21,436.67
	94,357.00	70,266.85

5.1 Term loans (at amortised cost)

	As at March 31, 2024	As at March 31, 2023
Term loans		
(i) Joint liability group loans	64,254.23	49,702.55
(ii) Individual loans	2,191.92	568.43
(iii) Corporate loans	56.46	164.45
Total (gross)	66,502.61	50,435.43
Less: Allowance for impairment loss for loan assets	1,713.73	1,606.35
Total (net)	64,788.88	48,829.08
Secured	1,476.46	310.00
Unsecured	65,026.15	50,125.43
Total (gross)	66,502.61	50,435.43
Less: Allowance for impairment loss for loan assets	1,713.73	1,606.35
Total (net)	64,788.88	48,829.08
Loans in India		
Public sector	-	-
Individuals	66,446.15	50,270.98
Corporate loans	56.46	164.45
Total (gross)	66,502.61	50,435.43
Less: Allowance for impairment loss for loan assets	1,713.73	1,606.35
Total (net)	64,788.88	48,829.08

5.2 Term loans (at fair value through other comprehensive income)

	As at March 31, 2024	As at March 31, 2023
Term loans	29,732.58	21,550.49
Total (gross)	29,732.58	21,550.49
Less: Allowance for impairment loss for loan assets	164.82	113.82
Total (net)	29,567.76	21,436.67
Secured	-	-
Unsecured	29,732.58	21,550.49
Total (gross)	29,732.58	21,550.49
Less: Allowance for impairment loss for loan assets	164.82	113.82
Total (net)	29,567.76	21,436.67
Loans in India		
Public sector	-	-
Individuals	29,732.58	21,550.49
Total (gross)	29,732.58	21,550.49
Less: Allowance for impairment loss for loan assets	164.82	113.82
Total (net)	29,567.76	21,436.67

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

5 Loans (Contd..)

5.3 Employee loans (at amortised cost)

	As at March 31, 2024	As at March 31, 2023
Employee loans	0.36	1.10
Total (gross)	0.36	1.10
Less: Allowance for impairment loss for employee loans	-	-
Total (net)	0.36	1.10
(i) Key managerial personnel	-	-
(ii) Other employees	0.36	1.10
Total (gross)	0.36	1.10
Less: Allowance for impairment loss for employee loans	-	-
Total (net)	0.36	1.10

- (i) All loans given to employees are without any security of assets or guarantee.
- (ii) Refer note 38 for loans pledged as security.
- (iii) Refer note 41 for expected credit loss related disclosures on loan assets.

6 Investments

	As at March 31, 2024	As at March 31, 2023
Investments at Amortised Cost		
Investment in ARC Trust	466.64	633.14
Investment in Associate Concern	0.45	0.45
Other current investments	-	-
Total (gross)	467.09	633.59
Less: Allowance for impairment loss	-	-
Total (net)	467.09	633.59
Investments in India	467.09	633.59
Investments outside India	-	-
	467.09	633.59

7 Other financial assets

	As at March 31, 2024	As at March 31, 2023
(i) Security deposits (unsecured, considered good)	77.97	38.14
(ii) Employee advances	15.05	2.47
	93.02	40.61

8 Current tax assets/(liability) (net)

	As at March 31, 2024	As at March 31, 2023
Advance income tax (net of provision for taxation)	131.13	104.60
	131.13	104.60

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

9 Property, plant and equipment

Particulars	Computer and accessories	Furniture and fixtures	Office equipments	Vehicles	Electrical fittings	Total
Gross block						
Balance as at March 31, 2022	97.59	323.20	245.88	0.77	13.65	681.08
Additions	35.30	100.08	90.71	-	53.16	279.25
Disposals	(0.25)	(0.19)	(4.78)	-	(0.36)	(5.57)
Balance as at March 31, 2023	132.64	423.09	331.81	0.77	66.45	954.76
Additions	41.12	114.94	61.96	-	61.58	279.60
Disposals	(0.21)	(0.22)	(7.04)	-	(0.19)	(7.66)
Balance as at March 31, 2024	173.55	537.81	386.73	0.77	127.84	1,226.70
Accumulated depreciation						
Balance as at March 31, 2022	69.13	89.41	96.55	0.52	5.01	260.63
Charge for the year	18.05	34.73	48.45	0.10	3.52	104.85
Reversal on disposal of assets	(0.18)	(0.15)	(4.35)	-	(0.40)	(5.08)
Balance as at March 31, 2023	87.00	123.99	140.65	0.62	8.13	360.39
Charge for the year	24.08	45.22	61.86	0.09	9.07	140.33
Reversal on disposal of assets	(0.11)	(0.18)	(6.40)	-	(0.15)	(6.84)
Balance as at March 31, 2024	110.97	169.03	196.11	0.71	17.05	493.88
Net block						
Balance as at March 31, 2023	45.64	299.10	191.17	0.15	58.32	594.37
Balance as at March 31, 2024	62.58	368.78	190.62	0.06	110.79	732.82

10 Right-of-use assets and lease liabilities

- (i) Property, plant and equipment comprises owned and leased assets that do not meet the definition of investment property

	As at March 31, 2024	As at March 31, 2023
Property, plant and equipment owned	732.82	594.37
Right-of-use assets	1,410.87	1,121.72
	2,143.69	1,716.09

- (ii) Carrying value of right of use of assets at the end of the reporting year by class

	As at March 31, 2024	As at March 31, 2023
Balance as at April 1, 2023	1,121.72	791.19
Additions	516.60	504.59
Deletions	(48.78)	(29.82)
Deletion of Accumulated Depreciation	34.66	16.77
Depreciation charge for the year	(213.34)	(161.01)
Balance as at March 31, 2024	1,410.87	1,121.72

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

10 Right-of-use assets and lease liabilities (Contd..)

(iii) Movement in lease liabilities

	As at March 31, 2024	As at March 31, 2023
Balance as at April 1, 2023	1,299.40	913.96
Additions	508.44	497.32
Deletions	(18.66)	(15.51)
Interest on lease liabilities	160.20	128.93
Payment of lease liabilities	(304.34)	(225.30)
Balance as at March 31, 2024	1,645.03	1,299.40

(iv) Maturity analysis of lease liabilities

	As at March 31, 2024	As at March 31, 2023
Less than one year	350.76	272.74
One to five years	1,298.74	1,031.32
More than five years	743.30	592.53
Total undiscounted lease liabilities as at March 31, 2024	2,392.80	1,896.59
Current	332.98	258.88
Non Current	1,312.06	1,040.52
Lease liabilities included in the statement of financial position	1,645.03	1,299.40

(v) Amounts recognised in profit and loss

	As at March 31, 2024	As at March 31, 2023
Interest on lease liabilities (refer note 27)	160.20	128.93
Depreciation of right-of-use assets (refer note 31)	213.34	161.01
	373.54	289.94

(vi) Amounts recognised in the statement of cash flows

	As at March 31, 2024	As at March 31, 2023
Total cash outflow for leases	304.34	225.30

11 Intangible assets

	As at March 31, 2024
	Software
Gross block	
Balance as at March 31, 2022	3.13
Additions	2.56
Disposals	-
Balance as at March 31, 2023	5.69
Additions	0.77
Disposals	-
Balance as at March 31, 2024	6.46

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

11 Intangible assets

	As at March 31, 2024
	Software
Accumulated depreciation	
Balance as at March 31, 2022	2.30
Charge for the year	0.47
Reversal on disposal of assets	-
Balance as at March 31, 2023	2.77
Charge for the year	0.83
Reversal on disposal of assets	-
Balance as at March 31, 2024	3.60
Net block	
Balance as at March 31, 2023	2.92
Balance as at March 31, 2024	2.86

12 Other non-financial assets

	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Capital advances	6.87	9.96
Balance with government authorities	72.43	42.18
Prepaid expenses	265.85	186.36
Advances	0.21	4.85
	345.36	243.35

13 Other payables

	As at March 31, 2024	As at March 31, 2023
Dues to micro enterprises and small enterprises (refer note (i) below)	24.79	-
Dues to creditors other than micro enterprises and small enterprises	114.06	119.27
	138.85	119.27

- (i) Under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") which came into force from October 2, 2006, certain disclosures are required to be made relating to micro and small enterprises. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments. The disclosure as required by section 22 of MSMED Act has been given below:

	As at March 31, 2024	As at March 31, 2023
i) Principal amount remaining unpaid (but within due date as per the Micro, Small and Medium Enterprises Development Act, 2006)	24.43	-
ii) Interest due thereon remaining unpaid	-	-
iii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period.	-	-
iv) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	0.56	-

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

13 Other payables (Contd..)

	As at March 31, 2024	As at March 31, 2023
v) Interest accrued and remaining unpaid	-	-
vi) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

14 Debt securities

	As at March 31, 2024	As at March 31, 2023
Secured (at amortised cost)		
Redeemable non-convertible debentures (refer note 37)	9,624.36	13,216.67
	9,624.36	13,216.67
Unsecured (at amortised cost)		
Commercial paper (refer note 37)	-	484.84
	-	484.84
	9,624.36	13,701.51
Borrowings in India	9,624.36	13,701.51
Borrowings outside India	-	-
	9,624.36	13,701.51

(i) Refer note 37 for interest rates, repayment terms and nature of security of debt securities.

15 Borrowings (other than debt securities)

	As at March 31, 2024	As at March 31, 2023
Borrowings carried at amortised cost		
Term loans (Secured)		
- From banks (refer note 37)	39,301.28	29,200.07
- From financial institutions (refer note 37)	14,846.23	11,678.52
- Borrowings under securitisation arrangement (refer note 37)	14,218.96	8,230.63
- From financial institutions in Foreign Currency (ECB)(refer note 37)	4,914.42	2,047.76
Term loans (Unsecured)		
- From financial institutions	688.44	73.27
	73,969.33	51,230.25
Borrowings in India	69,054.91	49,182.49
Borrowings outside India	4,914.42	2,047.76
	73,969.33	51,230.25

(i) Refer note 37 for interest rates, repayment terms and nature of security of borrowings.

(ii) Refer note 38 for details of assets pledged.

16 Other financial liabilities

	As at March 31, 2024	As at March 31, 2023
Interest accrued but not due on borrowings	654.71	946.80
Employee related payable	231.61	211.77
Payables towards securitisation/assignment transactions	512.12	907.17
Others	722.40	516.96
	2,120.84	2,582.70

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

17 Deferred tax asset / (liability) (net)

	As at March 31, 2024	As at March 31, 2023
Tax effect of items constituting deferred tax liability:		
Direct assignment transactions	(834.18)	(702.43)
Adoption of EIR for borrowing cost	(101.44)	(86.51)
Tax effect of items constituting deferred tax asset:		
Provision for expected credit loss	472.79	562.81
Adoption of EIR for loan assets	204.10	132.33
Adoption of Ind AS 116	66.12	50.88
Others	99.57	100.67
	(93.04)	57.75

Movement in above mentioned deferred tax asset / (liability)

Particulars	As at April 1, 2022	Recognised in statement of profit and loss	Recognised in other comprehensive income	As at March 31, 2023	Recognised in statement of profit and loss	Recognised in other comprehensive income	As at March 31, 2024
Tax effect of items constituting deferred tax asset / (liability)							
Provision for expected credit loss	498.92	63.89	-	562.81	(90.02)	-	472.79
Adoption of EIR for loan assets	81.04	51.29	-	132.33	71.77	-	204.10
Direct assignment transactions	(566.69)	2.41	(138.14)	(702.43)	(76.68)	(55.07)	(834.18)
Adoption of EIR for borrowing cost	(59.60)	(26.91)	-	(86.51)	(14.93)	-	(101.44)
Adoption of Ind AS 116	33.78	17.10	-	50.88	15.24	-	66.12
Others	60.30	34.81	5.56	100.67	(10.18)	9.07	99.57
	47.75	142.59	(132.58)	57.75	(104.80)	(46.00)	(93.04)

18 Provisions

	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
Gratuity (refer note 35)	100.04	34.00
Compensated absences (refer note 35)	10.05	2.13
	110.09	36.13

19 Other non-financial liabilities

	As at March 31, 2024	As at March 31, 2023
Statutory dues payable	157.19	64.24
	157.19	64.24

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

20 Equity share capital

	As at March 31, 2024	As at March 31, 2023
Authorised share capital		
200,000,000 Equity shares of ₹ 10 each (March 31, 2023: 150,000,000)	2,000.00	1,500.00
50,000,000 Compulsorily convertible preference shares of ₹ 10 each (March 31, 2023: 50,000,000)	500.00	500.00
	2,500.00	2,000.00
Issued, subscribed and fully paid up share capital		
17,04,92,176 Equity shares of ₹ 10 each (March 31, 2023: 116,837,249)	1,704.93	1,168.38
Nil Compulsorily Convertible Preference Shares of ₹ 10 each (March 31, 2023: 23,360,260)	-	233.60
	1,704.93	1,401.98

(i) Rights, preferences and restrictions attached to equity shares:

The company has equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors in any financial year is subject to the approval of the shareholders in the ensuing annual general meeting, except interim dividend. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) Reconciliation of equity shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
Equity share capital of Rs. 10 each fully paid up				
Balance at the beginning of the year	11,68,37,249	1,168.38	11,41,70,602	1,141.71
Add: Issued during the year	5,36,54,927	536.55	26,66,647	26.67
Balance at the end of the year	17,04,92,176	1,704.93	11,68,37,249	1,168.38

(iii) Reconciliation of compulsorily convertible preference shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
Preference share capital of Rs. 10 each fully paid up				
Balance at the beginning of the year	2,33,60,260	233.60	1,91,61,733	191.62
Add: Issued/ (Converted) during the year	(2,33,60,260)	(233.60)	41,98,527	41.98
Balance at the end of the year	-	-	2,33,60,260	233.60

(iv) Shares held by the holding company

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% holding	No. of shares	% holding
Muthoot Fincorp Limited	8,55,95,744	50.21%	8,45,44,263	72.36%

(v) Shareholders holding more than 5% of shares of the Company as at balance sheet date:

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs.10 each				
Muthoot Fincorp Limited	8,55,95,744	50.21%	8,45,44,263	72.36%
Creation Investments India LLC	1,30,06,778	7.63%	1,30,06,778	11.13%
Greater Pacific Capital WIV Ltd.	2,58,02,609	15.13%	100	0.00%

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

20 Equity share capital (Contd..)

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% holding	No. of shares	% holding
Compulsorily Convertible Preference Shares of ₹ 10 each				
Greater Pacific Capital WIV Ltd.	-	0.00%	2,33,60,260	100.00%

(vi) Shareholding of promoters as at balance sheet date:

	No. of shares	% of Total Shares	% Change during the period
Muthoot Fincorp Ltd	8,55,95,744	50.21%	-22.15%
Thomas John Muthoot	29,82,456	1.75%	-1.28%
Thomas George Muthoot	29,81,749	1.75%	-1.28%
Thomas Muthoot	29,93,935	1.76%	-1.28%
Preethi John	3,996	0.00%	-1.30%
Nina George	3,989	0.00%	-1.30%
Remmy Thomas	3,963	0.00%	-1.29%
	9,45,65,832	55.47%	-29.88%

(vii) The Company has neither issued any bonus shares nor has there been any buy-back of shares in the current period and five years immediately preceding the balance sheet date.

21 Other equity

	As at March 31, 2024	As at March 31, 2023
Securities premium	16,221.02	9,473.77
Reserve fund u/s 45-IC of RBI Act 1934	2,019.66	1,120.50
Employee stock options outstanding	148.06	54.34
Loan assets through other comprehensive income	1,267.36	1,103.62
Retained earnings	6,963.65	3,393.95
Treasury shares	(276.65)	(297.56)
General reserve	(4.50)	7.89
	26,338.60	14,856.51

Nature and purpose of reserves

Securities premium reserve

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

Reserve fund u/s 45-IC of RBI Act 1934

The company creates a reserve fund in accordance with the provisions of section 45-IC of the Reserve Bank of India Act, 1934 and transfers therein an amount equal to/more than twenty per cent of its net profit of the year, before declaration of dividend. Accordingly, during the period, the Company has transferred an amount of INR 899.17 million (March 31, 2023: INR 327.78 million).

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.

Loan assets through other comprehensive income

The Company recognises changes in the fair value of loan assets held with business objective of collect and sell 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.

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

21 Other equity (Contd..)

Retained earnings

All the profits or losses made by the company are transferred to retained earnings from statement of profit and loss.

Treasury shares

Treasury shares represents company's own equity shares held by employee welfare trust.

General reserve

Represents the profits or losses made by the employee welfare trust on account of issue or sale of treasury stock.

22 Interest income

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
On financial assets measured at amortised cost		
Interest on loan assets	14,473.83	10,313.32
Interest income on deposits from banks	311.59	178.51
	14,785.42	10,491.83
On financial assets measured at fair value through other comprehensive income		
Interest on loan assets	5,063.63	2,414.62
	5,063.63	2,414.62
	19,849.05	12,906.45

23 Fees and commission income

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Fee income recognised over a certain period of time (refer note 46)	48.05	19.91
Fee income that are recognised at point in time (refer note 46)	361.04	153.31
	409.09	173.22

24 Net gain on fair value changes

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Gain on sale of loans assets recognised through Profit & Loss account	2,276.05	1,115.37
Fair value changes		
Realised	2,276.05	1,115.37
Unrealised	-	-
	2,276.05	1,115.37

25 Income from investments

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Income from investments	156.78	83.35
	156.78	83.35
Realised	156.78	83.35
Unrealised	-	-
	156.78	83.35

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

26 Other income

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Interest income on security deposits	4.12	3.31
Bad debt recovered	94.18	143.59
Miscellaneous income	54.80	28.90
	153.10	175.80

27 Finance costs

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
On financial liabilities measured at amortised cost		
Interest on borrowings other than debt securities	6,840.67	4,063.02
Interest on debt securities	1,830.19	1,295.20
Interest on subordinated liabilities	-	2.95
Interest cost on lease liabilities (refer note 10)	160.20	128.93
Others	0.56	-
	8,831.62	5,490.10

28 Fees and commission expenses

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Fees and commission expenses	271.85	275.41
	271.85	275.41

29 Impairment on financial instruments

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Loans		
Write off	1,319.20	1,402.81
Waive off	342.00	476.59
Provision for impairment on loan assets	158.38	353.78
	1,819.58	2,233.18

30 Employee benefits expenses

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Salaries and wages	3,946.52	2,876.80
Contribution to provident and other funds	314.04	234.01
Share based payments	93.72	42.11
Gratuity and compensated absence	47.13	17.67
Staff welfare expenses	85.14	54.99
	4,486.55	3,225.58

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

31 Depreciation and amortisation

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Depreciation (refer note 9)	140.20	104.57
Depreciation on right-of-use assets (refer note 10)	213.34	161.01
Amortisation (refer note 11)	0.83	0.48
	354.37	266.06

32 Other expenses

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Rent	32.18	23.52
Rates and taxes	7.17	6.04
Repairs and maintenance - others	7.27	14.69
Communication expenses	97.47	70.83
Printing and stationery	27.41	31.77
Marketing expenses	28.53	13.54
Auditors' remuneration		
Statutory audit	4.36	4.36
Limited review	2.29	2.29
Tax audit	0.55	0.55
Other certifications	0.33	0.33
Reimbursement of expenses	0.22	0.22
Legal and professional charges	246.52	149.18
Travelling and conveyance	455.92	347.76
Software support charges	178.12	45.78
Power and fuel	38.94	28.32
Office expenses	52.17	37.82
Corporate social responsibility expenses*	19.11	6.23
Miscellaneous expenses	73.95	61.18
	1,272.51	844.41

*Corporate social responsibility expenses

(a) Gross amount required to be spent by the Company during the year ended March 31, 2024 is INR 19.11 million (March 31, 2023 INR 6.23 million).

(b) Amount spent during the year :

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
(i) Construction/ acquisition of any asset		
In cash	-	-
Yet to be paid	-	-
	-	-
(ii) On purpose other than (i) above		
In cash	19.11	6.23
Yet to be paid	-	-
	19.11	6.23
	19.11	6.23

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

33 Earnings per share (basic and diluted)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Net profit for the year	4,495.83	1,638.89
Weighted-average number of equity shares for basic EPS	148.86	115.51
Weighted-average number of equity shares adjusted for the effect of dilution	148.86	136.77
Par value per share	10.00	10.00
Earnings per share - Basic	30.20	14.19
Earnings per share - Diluted	30.20	11.98

34 Tax expense

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Current tax	1,456.31	679.91
Deferred tax	104.80	(142.59)
	1,561.12	537.32

The reconciliation of estimated income tax expense at statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Profit before tax	5,818.42	2,128.70
Statutory income tax rate	25.17%	25.17%
Expected income tax expense	1,464.38	535.75

Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Tax on expense not eligible for deduction	4.81	1.57
Tax effect of change in tax rate	-	-
Deferred tax liability relating to earlier years	91.92	-
Impact of different tax rate on certain items	-	-
Others	-	-
Total income tax expense	1,561.12	537.32

35 Employee benefit obligations

	As at March 31, 2024	As at March 31, 2023
Defined benefit plans		
Gratuity	100.04	34.00
Compensated absence	10.05	2.13

A. Gratuity

- (i) The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employee's last drawn basic salary per month computed proportionately for 15 days multiplied by the number of years of service.

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

35 Employee benefit obligations (Contd..)

(ii) Amount recognised in the statement of profit and loss

	As at March 31, 2024	As at March 31, 2023
Current service cost	31.49	24.97
Interest cost (net)	2.48	2.32
Actuarial loss/(gain) recognised during the year	36.04	22.09
Amount recognised in total comprehensive income	70.01	49.38

(iii) Movement in the present value of defined benefit obligation recognised in the balance sheet

	As at March 31, 2024	As at March 31, 2023
Present value of defined benefit obligation as at the beginning of the year	178.46	140.22
Current service cost	31.49	24.97
Interest cost	13.03	8.68
Benefits paid	(23.37)	(18.21)
Actuarial loss/ (gain)	31.16	22.80
Present value of defined benefit obligation as at the end of the year	230.77	178.46

(iv) Movement in the plan assets recognised in the balance sheet

	As at March 31, 2024	As at March 31, 2023
Fair value of plan assets at the beginning of the year	144.46	102.80
Expected return on plan assets	10.55	6.36
Contributions by employer	3.97	52.80
Benefits paid	(23.37)	(18.21)
Actuarial (loss)/gain	(4.88)	0.71
Fair value of plan assets at the end of the year	130.73	144.46

(v) Reconciliation of present value of defined benefit obligation and the fair value of assets:

	As at March 31, 2024	As at March 31, 2023
Present value of funded obligation as at the end of the year	230.77	178.46
Fair value of plan assets as at the end of the period funded status	(130.73)	(144.46)
Funded net liability recognized in balance sheet	100.04	34.00

(vi) Actuarial (gain)/loss recognised in other comprehensive income:

	As at March 31, 2024	As at March 31, 2023
Actuarial (gain)/loss on assets	4.88	(0.71)
Actuarial (gain)/loss on liabilities		
Actuarial (gain)/loss from change in demographic assumption	1.18	(4.56)
Actuarial (gain)/loss from change in financial assumption	0.61	(2.32)
Actuarial (gain)/loss from experience adjustment	29.37	29.68
Total Actuarial (gain)/loss on liabilities	31.16	22.80
Total actuarial (gain)/loss	36.04	22.09

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

35 Employee benefit obligations (Contd..)

(vii) Actuarial assumptions used for determination of the liability of the Company:

	As at March 31, 2024	As at March 31, 2023
Discount rate	7.18%	7.30%
Rate of increase in compensation levels	7.75%	7.75%
Attrition rate		
Field employees	39.19%	37.05%
Other than field employees	20.34%	29.59%
Retirement age	60 years	60 years
Expected average remaining working lives of employees (in years)	32.77	32.76

Notes to actuarial assumptions:

- Gratuity is payable to the employees on death or resignation or on retirement at the attainment of superannuation age.
- These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.
- The discount rate is based on the prevailing market yield of Government of India bonds as at the balance sheet date for the estimated terms of obligations.
- The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

(viii) Sensitivity analysis for gratuity liability

	As at March 31, 2024	As at March 31, 2023
Present value of obligation at the end of the year	230.77	178.46
a) Impact of change in discount rate		
- Impact due to increase of 0.50%	(3.50)	(1.99)
- Impact due to decrease of 0.50%	3.64	2.05
b) Impact of change in salary increase		
- Impact due to increase of 1%	6.73	3.94
- Impact due to decrease of 1%	(6.41)	(3.81)
c) Impact of change in attrition rate		
- Impact due to increase of 5%	(4.70)	(4.20)
- Impact due to decrease of 5%	5.28	4.69

The above sensitivity analysis is based on a change an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous year.

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

35 Employee benefit obligations (Contd..)

(ix) Maturity profile of defined benefit obligation

	As at March 31, 2024	As at March 31, 2023
Within next 12 months	53.06	46.93
Between 1-5 years	136.84	117.09
Beyond 5 years	112.63	52.07
	302.53	216.08

(x) Category of plan assets

	As at March 31, 2024	As at March 31, 2023
Fund managed by insurer	130.73	144.46

(xi) The Company expects to contribute INR 50.50 millions (previous year INR 39.93 millions) to its gratuity plan for the next year.

B. Compensated absence

(i) The Company provides encashment of compensated absence based on the approved Company policy. Employees whose service is permanent will be eligible for privilege of compensated absence on calendar year basis, and it is mandatory that a minimum of 5 leaves need to be taken in an year.

(ii) Amount recognised in the statement of profit and loss

	As at March 31, 2024	As at March 31, 2023
Current service cost	11.20	6.17
Interest cost (net)	0.17	0.57
Actuarial (gain)/loss recognised during the year	1.80	(16.40)
Amount recognised in total comprehensive income	13.17	(9.66)

(iii) Movement in the present value of defined benefit obligation recognised in the balance sheet

	As at March 31, 2024	As at March 31, 2023
Present value of defined benefit obligation as at the beginning of the year	56.29	64.21
Current service cost	11.20	6.17
Interest cost	4.12	3.08
Benefits paid	(1.06)	(1.77)
Actuarial (gain)/loss	(0.63)	(15.40)
Present value of defined benefit obligation as at the end of the year	69.92	56.29

(iv) Movement in the plan assets recognised in the balance sheet

	As at March 31, 2024	As at March 31, 2023
Fair value of plan assets at the beginning of the year	54.15	52.25
Expected return on plan assets	3.95	2.51
Contributions by employer	5.26	0.18
Benefits paid	(1.06)	(1.77)
Actuarial gain/(loss)	(2.43)	1.00
Fair value of plan assets at the end of the year	59.87	54.15

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

35 Employee benefit obligations (Contd..)

(v) Reconciliation of present value of defined benefit obligation and the fair value of assets:

	As at March 31, 2024	As at March 31, 2023
Present value of funded obligation as at the end of the year	69.92	56.29
Fair value of plan assets as at the end of the period funded status	(59.87)	(54.15)
Funded net liability recognized in balance sheet	10.05	2.14

(vi) Actuarial (gain)/loss recognised in the statement of profit and loss

	As at March 31, 2024	As at March 31, 2023
Actuarial (gain)/loss on assets	2.43	(1.00)
Actuarial (gain) / loss on liabilities		
Actuarial (gain)/loss from change in demographic assumption	1.85	(1.80)
Actuarial (gain)/loss from change in financial assumption	0.12	(0.19)
Actuarial (gain)/loss from experience adjustment	(2.60)	(13.41)
Total Actuarial (gain)/loss on liabilities	(0.63)	(15.40)
Total actuarial (gain)/loss	1.80	(16.40)

(vii) Actuarial assumptions used for determination of the liability of the Company:

	As at March 31, 2024	As at March 31, 2023
Discount rate	7.18%	7.30%
Rate of increase in compensation levels	7.75%	7.75%
Attrition rate		
Field employees	39.19%	37.05%
Other than field employees	20.34%	29.59%
Retirement age	60 years	60 years
Expected average remaining working lives of employees (in years)	31.17	31.41

Notes to actuarial assumptions:

- Encashment of compensated absence is payable to the employees on death or resignation or on retirement at the attainment of superannuation age, and it is not applicable on termination and unserved notice period of an employee.
- These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.
- The discount rate is based on the prevailing market yield of Government of India bonds as at the balance sheet date for the estimated terms of obligations.
- The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

(viii) Sensitivity analysis for compensated absence liability

	As at March 31, 2024	As at March 31, 2023
Present value of obligation at the end of the year	69.92	56.29
a) Impact of change in discount rate		
- Impact due to increase of 0.50 %	(0.60)	(0.42)
- Impact due to decrease of 0.50 %	0.62	0.43

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

35 Employee benefit obligations (Contd..)

	As at March 31, 2024	As at March 31, 2023
b) Impact of change in salary increase		
- Impact due to increase of 1 %	1.23	0.86
- Impact due to decrease of 1 %	(1.20)	(0.84)
c) Impact of change in attrition rate		
- Impact due to increase of 5 %	(1.81)	(1.20)
- Impact due to decrease of 5 %	2.20	1.42

The above sensitivity analysis is based on a change an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous year.

(ix) Maturity profile of defined benefit obligation

	As at March 31, 2024	As at March 31, 2023
Within next 12 months	31.43	27.46
Between 1-5 years	41.11	32.24
Beyond 5 years	7.80	3.87
Total	80.34	63.57

(x) Category of plan assets

	As at March 31, 2024	As at March 31, 2023
Fund managed by insurer	59.87	54.15

(xi) The Company expects to contribute INR 17.09 millions (previous year INR 12.98 millions) to its leave benefit plan for the next year.

36 Related parties disclosures

Names of related parties

Nature of relationship	Name of the party
Holding Company	Muthoot Fincorp Limited
Entities in which KMP are able to exercise control or have significant influence	Muthoot Exim Private Limited Muthoot Pappachan Foundation
Fellow subsidiary	Muthoot Pappachan Technologies Limited
Common directorship	The Thinking Machine Media Private Limited M-Liga Sports Excellence Private Limited Credavenue Private Limited
Key Management Personnel (KMP)	Thomas Muthoot, Managing Director Thomas John Muthoot, Director Thomas George Muthoot, Director John Tyler Day, Director T S Vijayan, Independent Director Alok Prasad, Independent Director Bhama Krishnamurthy, Independent Director Pushpy B Muricken, Independent Director

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

36 Related parties disclosures (Contd..)

Nature of relationship	Name of the party
	Akshaya Prasad, Non-executive Director
	R. Anand, Independent Director
	Sadaf Sayeed, Chief Executive Officer
	Praveen.T, Chief Financial Officer
	Neethu Ajay, Chief Compliance Officer & Company Secretary

Transactions with related parties

Nature	Name of the party	Year ended March 31, 2024	Year ended March 31, 2023
Cash management charges & Commission expenses*	Muthoot Fincorp Limited	55.10	50.16
Commission income*	Muthoot Fincorp Limited	0.04	0.07
Commission income*	Muthoot Exim Private Limited	3.23	5.05
Software support charges*	Muthoot Pappachan Technologies Limited	12.18	12.15
Rent expenses*	Muthoot Fincorp Limited	2.18	2.31
Rent expenses*	Thomas Muthoot	3.10	2.90
Rent expenses*	Thomas George Muthoot	7.36	4.96
Rent expenses*	Thomas John Muthoot	1.80	1.29
Rental deposits given/(refunded)	Muthoot Fincorp Limited	-	(0.25)
CSR expenditure	Muthoot Pappachan Foundation	19.00	6.23
Travel expenses*	Muthoot Fincorp Limited	1.06	0.26
Trade mark Fees*	Thomas George Muthoot	0.03	0.03
Trade mark Fees*	Thomas John Muthoot	0.03	0.03
Trade mark Fees*	Thomas Muthoot	0.03	0.03
Sitting fees*	Pushpy B Muricken	1.02	0.54
Sitting fees*	T S Vijayan	0.93	0.66
Sitting fees*	Alok Prasad	1.29	0.75
Sitting fees*	Bhama Krishnamurthy	1.26	0.66
Sitting fees*	R.Anand	1.14	0.09
Remuneration	Sadaf Sayeed	73.97	37.31
Remuneration	Praveen T	7.04	4.95
Remuneration	Neethu Ajay	3.95	1.92
Gold Auction	Muthoot Exim Private Limited	3.34	0.91
Professional Charges	Credavenue Private Limited	8.99	-
Marketing Expenses*	M-Liga Sports Excellence Private Limited	-	5.00

*excluding taxes

Balance at the end of the year

Nature	Name of the party	(Payable)/ Receivable as at March 31, 2024	(Payable)/ Receivable as at March 31, 2023
Cash management charges and Commission payable	Muthoot Fincorp Limited	(5.30)	(4.03)
Other receivable (commission income)	Muthoot Fincorp Limited	0.00	0.00
Other payable (commission income)	Muthoot Exim Private Limited	(4.18)	0.23
Software support charges payable	Muthoot Pappachan Technologies Limited	-	-
Rent payable	Muthoot Fincorp Limited	(0.20)	(0.19)
Rent payable	Thomas Muthoot	(0.28)	(0.27)
Rent payable	Thomas George Muthoot	(0.67)	(0.66)
Rent payable	Thomas John Muthoot	(0.17)	(0.14)
Rental deposit	Muthoot Fincorp Limited	0.54	0.54
Rental deposit	Thomas Muthoot	0.18	0.18
Rental deposit	Thomas George Muthoot	0.10	0.10

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

36 Related parties disclosures (Contd..)

Nature	Name of the party	(Payable)/ Receivable as at March 31, 2024	(Payable)/ Receivable as at March 31, 2023
Rental deposit	Thomas John Muthoot	0.08	0.08
Travel charges payable	Muthoot Fincorp Limited	(0.65)	(0.10)
Trade mark fee payable	Thomas George Muthoot	-	(0.04)
Trade mark fee payable	Thomas John Muthoot	-	(0.04)
Trade mark fee payable	Thomas Muthoot	-	(0.04)
Sitting fee payable	Alok Prasad	-	(0.02)
Sitting fee payable	Bhama Krishnamurthy	-	(0.03)
Sitting fee payable	Pushpy Muricken	-	(0.03)
Sitting fee payable	T S Vijayan	-	(0.03)
Sitting fee payable	R Anand	-	(0.03)
Investment in equity instruments	The Thinking Machine Media Private Limited	0.45	0.45

Key management personnel remuneration includes the following expenses:

Nature	Year ended March 31, 2024	Year ended March 31, 2023
Short-term employee benefits (current)	83.11	44.10
Post-employment benefits	1.85	0.08
	84.96	44.18

37 Details of terms & conditions of debt securities, borrowings and subordinated liabilities

Debt securities		Interest commencement month	Principal repayment month	Interest rate p.a	Nature of the security	Outstanding as at	
S No.	Nature					March 31, 2024	March 31, 2023
1	Principal: Bullet repayment, Interest: Half-yearly	Mar-18	Sep-23	11.90%	Exclusive charge over book debts equivalent to 100% of loan and interest amount.	-	749.81
2	Principal: Bullet repayment, Interest: Half-yearly	May-20	Nov-24	12.06%	Exclusive charge over book debts equivalent to 100% of loan and interest amount.	699.77	699.42
3	Principal: Bullet repayment, Interest: Half-yearly	May-21	Nov'23 and May'24	12.06%	Exclusive charge over book debts equivalent to 100% of loan and interest amount.	225.00	450.00
4	Principal: Bullet repayment, Interest: Bullet repayment	Jul-23	Jul-23	10.50%	Exclusive charge over book debts equivalent to 110% of loan and interest amount.	-	497.64
5	Principal: Bullet repayment, Interest: Bullet repayment	Mar-24	Mar-24	10.60%	Exclusive charge over book debts equivalent to 110% of loan and interest amount.	-	1,137.46
6	Principal: Bullet repayment, Interest: Bullet repayment	Oct-23	Oct-23	10.40%	Exclusive charge over book debts equivalent to 110% of loan and interest amount.	-	990.48
7	Principal: Bullet repayment, Interest: Bullet repayment	Sep-23	Sep-23	10.10%	Exclusive charge over book debts equivalent to 110% of loan and interest amount.	-	643.85
8	Principal: Bullet repayment, Interest: Half-yearly	Nov-22	May-25	11.46%	Exclusive charge over book debts equivalent to 105%	379.65	379.35

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

37 Details of terms & conditions of debt securities, borrowings and subordinated liabilities (Contd..)

Debt securities		Interest commencement month	Principal repayment month	Interest rate p.a	Nature of the security	Outstanding as at	
S No.	Nature					March 31, 2024	March 31, 2023
9	Principal: Bullet repayment, Interest: Half-yearly	Dec-22	Jun-25	11.55%	Exclusive charge over book debts equivalent to 105%	1,119.64	1,119.34
10	Principal: Half-yearly, Interest: Quarterly	Sep-22	Dec'24, Jun'25 and Dec'25	9.90%	Exclusive charge over book debts equivalent to 100%	930.70	929.70
11	Principal: Bullet repayment, Interest: Bullet repayment	Jan-24	Jan-24	10.45%	Exclusive charge over book debts equivalent to 110%	-	984.37
12	Principal: Bullet repayment, Interest: Bullet repayment	Apr-24	Apr-24	10.60%	Exclusive charge over book debts equivalent to 110%	699.04	686.50
13	Principal: Bullet repayment, Interest: Bullet repayment	Jan-24	Jan-24	10.45%	Exclusive charge over book debts equivalent to 110%	-	982.25
14	Principal: Bullet repayment, Interest: Bullet repayment	Jun-24	Jun-24	10.00%	Exclusive charge over book debts equivalent to 110%	997.08	984.06
15	Principal: Half-yearly, Interest: Monthly	Feb-23	Jan'24, Jul'24, Jan'25, Jul'25, Jan'26	11.00%	Exclusive charge over book debts equivalent to 110%	1,591.69	1,982.45
16	Principal: Bullet repayment, Interest: Bullet repayment	Jul-23	Jul-23	9.65%	Unsecured	-	484.84
17	Principal: Half-yearly, Interest: Monthly	Jun-23	May'24, Nov'24, May'25, Nov'25, Jun'26	11.00%	Exclusive charge over book debts equivalent to 110% of loan amount	1,491.24	-
18	Principal: Quarterly, Interest: Monthly	Jul-23	Sep'24, Dec'24, Mar'25, Jun'25, Sep'25, Dec'25, Mar'26, Jul'26	10.75%	Exclusive charge over book debts equivalent to 110% of loan amount	745.39	-
19	Principal: Quarterly, Interest: Monthly	Aug-23	Oct'24, Jan'25, Apr'25, Jul'25, Oct'25, Jan'26, Apr'26, Aug'26	10.75%	Exclusive charge over book debts equivalent to 110% of loan amount	745.16	-
Total of Debt Securities						9,624.36	13,701.51

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

37 Details of terms & conditions of debt securities, borrowings and subordinated liabilities (Contd..)

Borrowings (other than debt securities) - from banks (Secured)		No of instalments	Amount per instalment	Repayment commencement month	Interest Type	Interest Rate terms	Nature of the security	Outstanding as at	
S No.	Repayment terms							March 31, 2024	March 31, 2023
1	Quarterly	12	29.00	May-21	Variable	MCLR + 4%	Cash margin of 5%, Exclusive charge over book debts equivalent to 117%	-	117.81
2	Monthly	24	23.30	May-21	Fixed	11%	Exclusive charge over book debts equivalent to 110% of loan amount	-	19.06
3	Half Yearly	5	100.00	Dec-21	Variable	MCLR + 0.60%	Exclusive charge over book debts equivalent to 110% of loan amount	-	199.09
4	Quarterly	12	166.70	Apr-21	Variable	MCLR + 3%	Exclusive charge over book debts equivalent to 133% of loan amount and Cash margin of 5%.	-	664.36
5	Monthly	24	10.42	Jul-21	Variable	10.75%	Exclusive charge over book debts equivalent to 110% of loan amount and Cash Margin of 5%	-	31.22
6	Monthly	36	12.44	Sep-21	Variable	EBMR + 7.4%	Exclusive charge over book debts equivalent to 100% of loan amount	63.08	194.80
7	Monthly	32	15.63	Jan-22	Variable	MCLR + 1%	Exclusive charge over book debts equivalent to 100% of loan amount and Cash Margin of 5%	62.39	264.41
8	Monthly	36	27.80	Oct-21	Variable	MCLR + 1.25%	Exclusive charge over book debts equivalent to 110% of loan amount	166.03	496.54
9	Monthly	24	11.67	Oct-21	Variable	MCLR + 2.1%	Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 5%.	-	69.66
10	Monthly	36	27.78	Oct-21	Variable	MCLR + 2%	Exclusive charge over book debts equivalent to 110% of loan amount and Cash Margin 5%	166.49	498.58
11	Quarterly	8	100.00	Feb-22	Variable	8.75%	Exclusive charge over book debts equivalent to 105% of loan amount and Cash Margin 5%	-	299.75

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

37 Details of terms & conditions of debt securities, borrowings and subordinated liabilities (Contd..)

Borrowings (other than debt securities) - from banks (Secured)		No of instalments	Amount per instalment	Repayment commencement month	Interest Type	Interest Rate terms	Nature of the security	Outstanding as at	
S No.	Repayment terms							March 31, 2024	March 31, 2023
12	Monthly	24	12.92	Jan-22	Variable	MCLR +2.1%	Exclusive charge over book debts equivalent to 110% of loan amount	-	102.62
13	Quarterly	7	178.57	Jul-22	Variable	BB-EBR + 2.56%	Exclusive charge over book debts equivalent to 105% of loan amount	-	534.42
14	Quarterly	7	107.14	Sep-22	Variable	BB-EBR + 2.56%	Exclusive charge over book debts equivalent to 105% of loan amount	-	427.59
15	Monthly	22	68.18	Mar-22	Variable	MCLR +3.50%	Exclusive charge over book debts equivalent to 110% of loan amount and Cash Margin 5%	-	612.25
16	Monthly	24	20.90	Feb-22	Variable	Repo rate + 6.25%	Exclusive charge over book debts equivalent to 110% of loan amount and Cash Margin 5%	-	206.78
17	Half Yearly	5	100.00	Nov-22	Variable	MCLR + 0.85%	Exclusive charge over book debts equivalent to 110% of loan amount	199.68	399.14
18	Monthly	24	20.83	Mar-22	Variable	MCLR + Spread	Exclusive charge over book debts equivalent to 100% of loan amount	-	228.22
19	Monthly	24	20.83	Jul-22	Variable	RRLR + 350 bps	Exclusive charge over book debts equivalent to 110% of loan amount	41.65	312.08
20	Monthly	30	50.00	Sep-22	Variable	9.50%	Exclusive charge over book debts equivalent to 111% of loan amount and Cash margin of 5%	198.99	397.35
21	Monthly	23	31.25	Jun-22	Fixed	10.50%	Exclusive charge over book debts equivalent to 110% of loan amount	62.48	436.94
22	Monthly	22	31.82	Sep-22	Variable	MCLR03 + 3.45%	Exclusive charge over book debts equivalent to 110% of loan amount, Cash margin of 5%.	95.41	475.63

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

37 Details of terms & conditions of debt securities, borrowings and subordinated liabilities (Contd..)

Borrowings (other than debt securities) - from banks (Secured)		No of instalments	Amount per instalment	Repayment commencement month	Interest Type	Interest Rate terms	Nature of the security	Outstanding as at	
S No.	Repayment terms							March 31, 2024	March 31, 2023
23	Monthly	22	2.27	Oct-22	Variable	MCLR03 + 3.45%	Exclusive charge over book debts equivalent to 110% of loan amount, Cash margin of 5%.	9.08	36.22
24	Monthly	24	10.42	Jul-22	Variable	T Bill Rate + Spread	Exclusive charge over book debts equivalent to 110% of loan amount, Cash margin of 5%.	-	155.99
25	Quarterly	10	25.00	Jan-23	Variable	Repo rate + 5.85%	Exclusive charge over book debts equivalent to 111% of loan amount, Cash margin of 5%.	124.64	223.80
26	Quarterly	8	25.00	Oct-22	Variable	MCLR + 300 bps	Exclusive charge over book debts equivalent to 110% of loan amount, Cash margin of 5%.	49.96	149.51
27	Monthly	24	10.42	Aug-22	Variable	3M T Bill +4.85%	Exclusive charge over book debts equivalent to 105% of loan amount, Cash margin of 5%.	41.60	166.05
28	Monthly	24	10.42	Mar-23	Variable	3M T Bill +4.85%	Exclusive charge over book debts equivalent to 105% of loan amount, Cash margin of 5%.	114.17	238.12
29	Quarterly	9	277.78	Dec-22	Variable	1 MCLR-3M+ Spread	Exclusive charge over book debts equivalent to 110% of loan amount, Cash margin of 5%.	831.86	1,936.84
30	Quarterly	11	272.73	Feb-23	Variable	6M MCLR +255 bps	Exclusive charge over book debts equivalent to 125% of loan amount, Cash margin of 5%.	1,625.83	2,702.14
31	Monthly	24	20.83	Dec-22	Variable	3M MCLR+Spread	Exclusive charge over book debts equivalent to 110% of loan amount, Cash margin of 5%.	165.94	412.41
32	Monthly	24	20.83	Feb-23	Variable	3M MCLR+Spread	Exclusive charge over book debts equivalent to 110% of loan amount, Cash margin of 5%.	205.40	454.63

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

37 Details of terms & conditions of debt securities, borrowings and subordinated liabilities (Contd..)

Borrowings (other than debt securities) - from banks (Secured)		No of instalments	Amount per instalment	Repayment commencement month	Interest Type	Interest Rate terms	Nature of the security	Outstanding as at	
S No.	Repayment terms							March 31, 2024	March 31, 2023
33	Monthly	24	20.83	Oct-22	Variable	Repo rate+ Spread	Exclusive charge over book debts equivalent to 110% of loan amount	135.94	383.27
34	Monthly	35	42.86	Oct-22	Variable	MCLR +Spread	Exclusive charge over book debts equivalent to 117% of loan amount, Cash margin of 5%.	724.60	1,231.54
35	Quarterly	12	58.33	Dec-22	Variable	3M MCLR+300bps	Exclusive charge over book debts equivalent to 120% of loan amount, Cash margin of 10%.	347.48	576.63
36	Monthly	33	30.30	Dec-22	Variable	MCLR +2.25%	Exclusive charge over book debts equivalent to 111% of loan amount, Cash margin of 10%.	511.14	867.45
37	Quarterly	12	83.33	Dec-22	Variable	MCLR+2.50%	Exclusive charge over book debts equivalent to 111% of loan amount, Cash margin of 5%.	495.67	822.00
38	Monthly	24	27.92	Jan-23	Variable	EBLR+Spread	Exclusive charge over book debts equivalent to 110% of loan amount	250.12	580.00
39	Quarterly	8	87.50	Feb-24	Fixed	10.10%	Exclusive charge over book debts equivalent to 105% of loan amount, Cash margin of 5%.	606.90	687.30
40	Monthly	24	16.67	Feb-23	Fixed	11.10%	Exclusive charge over book debts equivalent to 110% of loan amount	166.50	365.89
41	Monthly	24	4.17	May-23	Fixed	11.50%	Exclusive charge over book debts equivalent to 110% of loan amount	54.17	100.00
42	Quarterly	7	285.71	Jun-23	Variable	EBR+Spread	Exclusive charge over book debts equivalent to 110% of loan amount	1,141.81	1,995.55
43	Monthly	24	16.67	Mar-23	Variable	3M MCLR +Spread	Exclusive charge over book debts equivalent to 100% of loan amount	182.58	380.75

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

37 Details of terms & conditions of debt securities, borrowings and subordinated liabilities (Contd..)

Borrowings (other than debt securities) - from banks (Secured)		No of instalments	Amount per instalment	Repayment commencement month	Interest Type	Interest Rate terms	Nature of the security	Outstanding as at	
S No.	Repayment terms							March 31, 2024	March 31, 2023
44	Quarterly	8	62.50	Mar-23	Variable	MCLR+0.75%	Exclusive charge over book debts equivalent to 110% of loan amount	186.33	432.21
45	Monthly	24	20.83	Feb-23	Variable	MCLR+ 1%	Exclusive charge over book debts equivalent to 110% of loan amount.	206.77	450.69
46	Monthly	22	28.64	Apr-23	Variable	MCLR03 + 1.85%	Exclusive charge over book debts equivalent to 110% of loan .	285.56	626.23
47	Quarterly	8	237.50	May-23	Fixed	10.60%	Exclusive charge over book debts equivalent to 110% of loan amount,Cash margin of 5%.	948.82	1,895.33
48	Bullet Payment	1	300.00	Feb-24	Fixed	10.50%	Exclusive charge over book debts equivalent to 105% of loan amount,Cash margin of 5%.	-	299.27
49	Monthly	36	27.78	Apr-23	Variable	1Y MCLR + 2.50%	Exclusive charge over book debts equivalent to 111% of loan amount,Cash margin of 10%.	665.20	997.28
50	Quarterly	9	61.11	Jul-23	Variable	I-MCLR- 1Y + Spread	Exclusive charge over book debts equivalent to 110% of loan amount,Cash margin of 5%.	364.87	544.67
51	Monthly	21	119.05	Jul-23	Variable	MCLR+120bps spread	Exclusive charge over book debts equivalent to 110% of loan amount	1,417.04	2,500.00
52	Quarterly	8	31.25	Nov-23	Variable	Repo rate + 3.7%	Exclusive charge over book debts equivalent to 111% of loan amount,Cash margin of 5%.	186.64	-
53	Monthly	22	16.82	Aug-23	Variable	MCLR03 + 1.85%	Exclusive charge over book debts equivalent to 110% of loan amount	234.55	-
54	Quarterly	8	29.69	Aug-23	Variable	3M NIBOR+ 3.74% Spread	Exclusive charge over book debts equivalent to 110% of loan amount,Cash margin of 5%	148.30	-

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

37 Details of terms & conditions of debt securities, borrowings and subordinated liabilities (Contd..)

Borrowings (other than debt securities) - from banks (Secured)		No of instalments	Amount per instalment	Repayment commencement month	Interest Type	Interest Rate terms	Nature of the security	Outstanding as at	
S No.	Repayment terms							March 31, 2024	March 31, 2023
55	Quarterly	9	31.11	Oct-23	Variable	I-MCLR- 1Y + Spread 2.10% p.a	Exclusive charge over book debts equivalent to 105% of loan amount, Cash margin of 5%.	216.73	-
56	Monthly	24	20.83	Jul-23	Fixed	10.50%	Exclusive charge over book debts equivalent to 110% of loan amount	310.89	-
57	Quarterly	8	50.00	Sep-23	Variable	MCLR+200 Bps	Exclusive charge over book debts equivalent to 110% of loan amount	249.10	-
58	Monthly	24	31.25	Oct-25	Variable	MCLR + 225 Bps	Exclusive charge over book debts equivalent to 110% of loan amount, Cash margin of 5%	560.49	-
59	Monthly	24	41.67	Oct-25	Variable	MCLR+Spread	Exclusive charge over book debts equivalent to 110% of loan amount, Cash margin of 5%	774.40	-
60	Monthly	24	20.83	Aug-25	Variable	MCLR+Spread	Exclusive charge over book debts equivalent to 105% of loan amount, Cash margin of 5%	352.47	-
61	Monthly	24	20.83	Aug-25	Variable	MCLR+Spread	Exclusive charge over book debts equivalent to 105% of loan amount, Cash margin of 5%	352.47	-
62	Monthly	24	16.67	Sep-25	Variable	EBLR + 3% Spread	Exclusive charge over book debts equivalent to 110% of loan amount	297.72	-
63	Quarterly	8	29.69	Aug-25	Variable	MCLR + Spread	Exclusive charge over book debts equivalent to 110% of loan amount, Cash margin of 5%.	177.92	-
64	Quarterly	11	454.50	Aug-26	Variable	MCLR + 225 Bps	Exclusive charge over book debts equivalent to 125% of loan amount, Cash margin of 5%	4,507.91	-
65	Monthly	24	20.83	Jun-25	Variable	Linked to 91 days T-Bill	Exclusive charge over book debts equivalent to 100% of loan amount	393.48	-

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

37 Details of terms & conditions of debt securities, borrowings and subordinated liabilities (Contd..)

Borrowings (other than debt securities) - from banks (Secured)		No of instalments	Amount per instalment	Repayment commencement month	Interest Type	Interest Rate terms	Nature of the security	Outstanding as at	
S No.	Repayment terms							March 31, 2024	March 31, 2023
66	Quarterly	9	18.89	Dec-25	Variable	MCLR + 2.10% Spread	Exclusive charge over book debts equivalent to 105% of loan amount, Cash margin of 5%	150.28	-
67	Monthly	24	8.33	Sep-25	Variable	MCLR + Spread	Exclusive charge over book debts equivalent to 105% of loan amount, Cash margin of 5%	149.41	-
68	Quarterly	8	62.50	Dec-25	Variable	MCLR + Spread	Exclusive charge over book debts equivalent to 110% of loan amount	435.31	-
69	Monthly	22	68.18	Jan-24	Variable	MCLR + 1.55%	Exclusive charge on book debts equivalent to 110% of loan amount	1,291.27	-
70	Quarterly	12	83.33	Dec-23	Variable	MCLR + 1.90%	Exclusive charge on book debts equivalent to 111.11% of loan amount	829.24	-
71	Monthly	24	20.83	Dec-23	Fixed	10.50%	Exclusive charge on book debts equivalent to 110% of loan amount	413.90	-
72	Quarterly	10	50.00	Jul-24	Variable	MCLR + 0.75%	Exclusive charge on book debts equivalent to 110% of loan amount	498.20	-
73	Quarterly	12	41.67	Feb-24	Variable	MCLR + 45 BPS	Exclusive charge on book debts equivalent to 110% of loan amount	452.91	-
74	Monthly	22	22.73	Feb-24	Variable	MCLR + 1.55%	Exclusive charge on book debts equivalent to 110% of loan amount	453.78	-
75	Monthly	24	41.67	Mar-24	Variable	MCLR + Margin	Exclusive charge on book debts equivalent to 110% of loan amount, Cash margin of 5%	942.26	-
76	Quarterly	8	112.50	Mar-24	Variable	MCLR + 1.35%	Exclusive charge on book debts equivalent to 112% of loan amount, Cash margin of 5%	99.54	-

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

37 Details of terms & conditions of debt securities, borrowings and subordinated liabilities (Contd..)

Borrowings (other than debt securities) - from banks (Secured)		No of instalments	Amount per instalment	Repayment commencement month	Interest Type	Interest Rate terms	Nature of the security	Outstanding as at	
S No.	Repayment terms							March 31, 2024	March 31, 2023
77	Monthly	23	20.83	Feb-24	Variable	MCLR + Spread	Exclusive charge on book debts equivalent to 110% of loan amount	450.50	-
78	Quarterly	12	33.33	Mar-24	Variable	MCLR + 2.25 Bps	Exclusive charge on book debts equivalent to 120% of loan amount, Cash margin of 6%	361.83	-
79	Half Yearly	4	81.64	Jul-24	Variable	MCLR/ MIBOR	Exclusive charge on book debts equivalent to 110% of loan amount, Cash margin of 5%	326.56	-
80	Quarterly	8	29.69	Nov-23	Variable	MCLR/ MIBOR	Exclusive charge on book debts equivalent to 110% of loan amount, Cash margin of 5%	237.50	-
81	Monthly	22	54.55	May-24	Variable	MCLR + 1.55%	Exclusive charge on book debts equivalent to 110% of loan amount	1,195.20	-
82	Quarterly	8	112.50	Jun-24	Variable	MCLR + 1.35%	Exclusive charge on book debts equivalent to 112% of loan amount, Cash margin of 5%	895.41	-
83	Monthly	35	57.14	Feb-24	Variable	1.90% over 1 year MCLR + 0.25% Spread	Exclusive charge on book debts equivalent to 117% of loan amount, Cash margin of 5%	1,819.15	-
84	Monthly	35	57.14	Jan-24	Variable	1.90% over 1 year MCLR + 0.25% Spread	Exclusive charge on book debts equivalent to 117% of loan amount, Cash margin of 5%	1,865.90	-
85	Monthly	24	62.50	Mar-24	Fixed	10.50%	Exclusive charge on book debts equivalent to 110% of loan amount	1,430.05	-
86	Monthly	24	62.50	Apr-24	Variable	3 Month T-Bill + Spread%	Exclusive charge on book debts equivalent to 115% of loan amount	1,494.05	-

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

37 Details of terms & conditions of debt securities, borrowings and subordinated liabilities (Contd..)

Borrowings (other than debt securities) - from banks (Secured)		No of instalments	Amount per instalment	Repayment commencement month	Interest Type	Interest Rate terms	Nature of the security	Outstanding as at	
S No.	Repayment terms							March 31, 2024	March 31, 2023
87	Monthly	24	41.67	Apr-24	Fixed	10.50%	Exclusive charge on book debts equivalent to 110% of loan amount	994.64	-
88	Quarterly	8	62.50	Jun-24	Variable	MCLR + 1.35%	Exclusive charge on book debts equivalent to 112% of loan amount, Cash margin of 5%	497.13	-
89	Quarterly	8	25.00	Sep-24	Variable	MCLR + 0.15% Spread	Exclusive charge on book debts equivalent to 110% of loan amount	199.35	-
90	Quarterly	8	6.25	Sep-24	Variable	MCLR + 2.10% Spread	Exclusive charge on book debts equivalent to 110% of loan amount	49.51	-
91	Quarterly	12	8.33	Jun-24	Variable	MCLR + 1.30% Spread	Exclusive charge on book debts equivalent to 111% of loan amount	89.15	-
Total of Term Loans from Banks (Secured)								39,301.28	29,200.07

Borrowings (other than debt securities) - from financial institutions (Secured)		No of instalments	Amount per instalment	Repayment commencement month	Interest Type	Interest Rate terms	Nature of the security	Outstanding as at	
S No.	Repayment terms							March 31, 2024	March 31, 2023
1	Quarterly	12	33.34	Jun-21	Fixed	11%	Exclusive charge over book debts equivalent to 105% of loan amount and Cash margin of 5%.	-	133.14
2	Monthly	11	750	Jan-19	Variable	As per RBI norms	Exclusive charge over book debts equivalent to 111% of loan amount	-	199.88
3	Half Yearly	11	375	Jul-19	Variable	As per RBI norms	Exclusive charge over book debts equivalent to 111% of loan amount	49.99	149.90
4	Half Yearly	11	7.50	Jan-20	Variable	As per RBI norms	Exclusive charge over book debts equivalent to 113% of loan amount	44.00	88.00

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

37 Details of terms & conditions of debt securities, borrowings and subordinated liabilities (Contd..)

Borrowings (other than debt securities) - from financial institutions (Secured)		No of instalments	Amount per instalment	Repayment commencement month	Interest Type	Interest Rate terms	Nature of the security	Outstanding as at	
S No.	Repayment terms							March 31, 2024	March 31, 2023
5	Monthly	24	9.31	May-21	Fixed	10.75%	Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 5%	-	10.12
6	Quarterly	12	12.50	Jun-21	Fixed	12%	Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 5%.	-	49.89
7	Monthly	24	10.42	Sep-21	Variable	CGCL LTRR +/- applicable margin	Exclusive charge over book debts equivalent to 115% of loan amount	-	52.05
8	Quarterly	8	43.75	Feb-22	Fixed	11.50%	Exclusive charge over book debts equivalent to 110% of loan amount	-	131.00
9	Monthly	24	16.67	Feb-22	Variable	MAS PLR - 5.15%	Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 5%.	-	166.33
10	Monthly	36	4.26	May-22	Fixed	11.10%	Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 5%.	51.95	94.47
11	Monthly	36	4.92	May-22	Fixed	11.10%	Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 5%.	59.94	109.00
12	Monthly	36	0.66	May-22	Fixed	11.10%	Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 5%.	7.99	14.53
13	Monthly	30	33.33	Aug-22	Variable	Repo Rtae + 6%	Exclusive charge over book debts equivalent to 110% of loan amount and Cash Margin 10%	333.27	733.01
14	Monthly	33	60.60	Jun-22	Fixed	5.15%	Exclusive charge over book debts equivalent to 100% of loan amount	664.82	1,385.16
15	Quarterly	8	18.75	May-22	Fixed	11.50%	Exclusive charge over book debts equivalent to 110% of loan amount	-	74.81

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

37 Details of terms & conditions of debt securities, borrowings and subordinated liabilities (Contd..)

Borrowings (other than debt securities) - from financial institutions (Secured)		No of instalments	Amount per instalment	Repayment commencement month	Interest Type	Interest Rate terms	Nature of the security	Outstanding as at	
S No.	Repayment terms							March 31, 2024	March 31, 2023
16	Quarterly	12	25.00	Jun-22	Fixed	11.40%	Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 5%.	100.77	201.38
17	Quarterly	12	25.00	Jun-22	Fixed	11.00%	Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 5%.	9.17	103.00
18	Monthly	21	9.52	Aug-22	Fixed	10.75%	Exclusive charge over book debts equivalent to 110% of loan amount	9.52	122.90
19	Monthly	21	14.29	Sep-22	Fixed	10.75%	Exclusive charge over book debts equivalent to 110% of loan amount	28.57	199.73
20	Monthly	24	18.33	Jul-22	Variable	LTLR-8.80%	Exclusive charge over book debts equivalent to 110% of loan amount	-	273.08
21	Monthly	24	25.00	Aug-22	Variable	FFR+Spread	Exclusive charge over book debts equivalent to 118% of loan amount	109.77	412.15
22	Monthly	24	41.67	Oct-22	Variable	3M MCLR+Spread	Exclusive charge over book debts equivalent to 110% of loan amount	272.15	767.95
23	Quarterly	8	43.75	Dec-22	Fixed	11.50%	Exclusive charge over book debts equivalent to 110% of loan amount	87.35	261.40
24	Monthly	24	12.50	Oct-22	Fixed	11.75%	Exclusive charge over book debts equivalent to 110% of loan amount	-	231.07
25	Monthly	24	8.33	Oct-22	Variable	MAS PLR-5.60%	Exclusive charge over book debts equivalent to 110% of loan amount, Cash margin of 5%.	49.96	149.69
26	Quarterly	11	45.45	May-23	Fixed	11.50%	Exclusive charge over book debts equivalent to 110% of loan amount	317.64	498.90
27	Monthly	21	23.81	May-23	Variable	PLR-925 bps	Exclusive charge over book debts equivalent to 110% of loan amount	237.67	497.83

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

37 Details of terms & conditions of debt securities, borrowings and subordinated liabilities (Contd..)

Borrowings (other than debt securities) - from financial institutions (Secured)		No of instalments	Amount per instalment	Repayment commencement month	Interest Type	Interest Rate terms	Nature of the security	Outstanding as at	
S No.	Repayment terms							March 31, 2024	March 31, 2023
28	Quarterly	11	272.73	Jun-23	Fixed	10.95%	Exclusive charge over book debts equivalent to 110% of loan amount, Cash margin of 5%.	1,889.78	2,999.49
29	Monthly	24	12.50	Feb-23	Variable	LTRR-Spread	Exclusive charge over book debts equivalent to 110% of loan amount	188.31	373.23
30	Monthly	24	12.50	Jan-23	Variable	MAS PLR-5.60%	Exclusive charge over book debts equivalent to 110% of loan amount, Cash margin of 5%.	112.45	262.25
31	Monthly	24	8.33	Feb-23	Variable	MAS PLR-5.60%	Exclusive charge over book debts equivalent to 110% of loan amount, Cash margin of 5%.	83.30	183.16
32	Monthly	24	31.25	Apr-23	Fixed	11.00%	Exclusive charge over book debts equivalent to 110% of loan amount	395.67	750.00
33	Monthly	20	50.00	Jul-23	Fixed	10.95%	Exclusive charge over book debts equivalent to 110% of loan amount	521.48	-
34	Monthly	24	41.67	Jul-23	variable	MCLR+2.40% Spread	Exclusive charge over book debts equivalent to 110% of loan amount	648.61	-
35	Monthly	30	12.40	Jul-26	Fixed	11.30%	Exclusive charge over book debts equivalent to 110% of loan amount	349.52	-
36	Monthly	30	3.10	Jul-26	Fixed	11.30%	Exclusive charge over book debts equivalent to 110% of loan amount	87.38	-
37	Monthly	24	20.83	Aug-25	Fixed	10.75%	Exclusive charge over book debts equivalent to 118% of loan amount	363.30	-
38	Quarterly	8	62.50	Aug-25	Variable	MCLR + 2.20% Spread	Exclusive charge over book debts equivalent to 110% of loan amount	373.89	-
39	Quarterly	8	35.00	Aug-25	Variable	MCLR + 2.20% Spread	Exclusive charge over book debts equivalent to 110% of loan amount	209.38	-

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

37 Details of terms & conditions of debt securities, borrowings and subordinated liabilities (Contd..)

Borrowings (other than debt securities) - from financial institutions (Secured)		No of instalments	Amount per instalment	Repayment commencement month	Interest Type	Interest Rate terms	Nature of the security	Outstanding as at	
S No.	Repayment terms							March 31, 2024	March 31, 2023
40	Quarterly	8	5.00	Aug-25	Variable	MCLR + 2.20% Spread	Exclusive charge over book debts equivalent to 110% of loan amount	29.90	-
41	Monthly	24	18.75	Sep-25	Variable	HBLR - 1.10%	Exclusive charge over book debts equivalent to 110% of loan amount	346.62	-
42	Monthly	31	80.65	Sep-26	Variable	MCLR + 205 Bps	Exclusive charge over book debts equivalent to 100% of loan amount, Cash margin of 5%	2,414.58	-
43	Monthly	36	13.89	Sep-26	Variable	LTLR - 11.25% Spread	Exclusive charge over book debts equivalent to 110% of loan amount	426.80	-
44	Monthly	36	80.70	Dec-23	Variable	MCLR + Spread	Exclusive charge over book debts equivalent to 100% of loan amount and Cash Margin 5%	2,494.98	-
45	Bullet Payment	1	1,500.00	Dec-26	Fixed	7.75%	Exclusive charge over book debts equivalent to 100% of loan amount and Cash Margin 10%	1,475.75	-
Total of Borrowings from Financial Institutions (Secured)								14,846.23	11,678.52

Borrowings (other than debt securities) - under securitisation arrangements		No of instalments	Amount per instalment	Repayment commencement month	Interest Type	Interest Rate terms	Nature of the security	Outstanding as at	
S No.	Repayment terms							March 31, 2024	March 31, 2023
1	Monthly	19	Based on Actual collection	Jan-22	Fixed	9.15%	Exclusive charge over book debts equivalent to 108.70% of loan amount and Cash margin of 12%.	-	25.44
2	Monthly	18	Based on Actual collection	Feb-22	Fixed	9.50%	Exclusive charge over book debts equivalent to 111.12% of loan amount and Cash margin of 10%.	-	69.14
3	Monthly	18	Based on Actual collection	Jun-22	Fixed	9.25%	Exclusive charge over book debts equivalent to 111% of loan amount, Cash margin of 10%.	-	209.69

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

37 Details of terms & conditions of debt securities, borrowings and subordinated liabilities (Contd..)

Borrowings (other than debt securities) - under securitisation arrangements		No of instalments	Amount per instalment	Repayment commencement month	Interest Type	Interest Rate terms	Nature of the security	Outstanding as at	
S No.	Repayment terms							March 31, 2024	March 31, 2023
4	Monthly	18	Based on Actual collection	Jul-22	Fixed	9.50%	Exclusive charge over book debts equivalent to 111% of loan amount,Cash margin of 10%.	-	266.38
5	Monthly	18	Based on Actual collection	Aug-22	Fixed	9.50%	Exclusive charge over book debts equivalent to 111% of loan amount,Cash margin of 10%.	-	290.79
6	Monthly	17	Based on Actual collection	Aug-22	Fixed	9.50%	Exclusive charge over book debts equivalent to 114% of loan amount,Cash margin of 8%.	-	211.62
7	Monthly	17	Based on Actual collection	Oct-22	Fixed	9.75%	Exclusive charge over book debts equivalent to 111% of loan amount,Cash margin of 12.50%.	-	338.62
8	Monthly	17	Based on Actual collection	Sep-22	Fixed	9.25%	Exclusive charge over book debts equivalent to 114% of loan amount,Cash margin of 10%.	-	554.04
9	Monthly	17	Based on Actual collection	Oct-22	Fixed	9.60%	Exclusive charge over book debts equivalent to 114% of loan amount,Cash margin of 7.4%.	-	940.72
10	Monthly	15	Based on Actual collection	Dec-22	Fixed	9.85%	Exclusive charge over book debts equivalent to 114% of loan amount,Cash margin of 9.5%.	-	575.73
11	Monthly	17	Based on Actual collection	Jan-23	Fixed	9.25%	Exclusive charge over book debts equivalent to 114% of loan amount,Cash margin of 7.5%.	-	729.28
12	Monthly	18	Based on Actual collection	Mar-23	Fixed	9.25%	Exclusive charge over book debts equivalent to 114% of loan amount,Cash margin of 5.5%.	462.38	2,751.96
13	Monthly	17	Based on Actual collection	Apr-23	Fixed	9.25%	Exclusive charge over book debts equivalent to 114% of loan amount,Cash margin of 5.5%.	207.81	1,267.23
14	Monthly	16	Based on Actual collection	Jul-23	Fixed	9.25%	Exclusive charge over book debts equivalent to 114% of loan amount,Cash margin of 7.5%.	475.85	-
15	Monthly	17	Based on Actual collection	Jun-23	Fixed	Series 1-9.15% Series 2-12%	Exclusive charge over book debts equivalent to 116% of loan amount,Cash margin of 5.5%.	334.23	-
16	Monthly	17	Based on Actual collection	Jul-23	Fixed	9.25%	Exclusive charge over book debts equivalent to 115% of loan amount,Cash margin of 5.5%.	608.86	-

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

37 Details of terms & conditions of debt securities, borrowings and subordinated liabilities (Contd..)

Borrowings (other than debt securities) - under securitisation arrangements		No of instalments	Amount per instalment	Repayment commencement month	Interest Type	Interest Rate terms	Nature of the security	Outstanding as at	
S No.	Repayment terms							March 31, 2024	March 31, 2023
17	Monthly	18	Based on Actual collection	Aug-23	Fixed	9.25%	Exclusive charge over book debts equivalent to 115% of loan amount,Cash margin of 5.5%.	1,023.10	-
18	Monthly	17	Based on Actual collection	Aug-23	Fixed	9.25%	Exclusive charge over book debts equivalent to 116% of loan amount,Cash margin of 5.5%.	403.63	-
19	Monthly	16	Based on Actual collection	Aug-23	Fixed	9.25%	Exclusive charge over book debts equivalent to 116% of loan amount,Cash margin of 5.5%.	615.27	-
20	Monthly	17	Based on Actual collection	Oct-23	Fixed	9.25%	Exclusive charge over book debts equivalent to 116% of loan amount,Cash margin of 5.5%.	951.28	-
21	Monthly	17	Based on Actual collection	Dec-23	Fixed	9.25%	Exclusive charge over book debts equivalent to 116% of loan amount,Cash margin of 5.5%.	1,656.56	-
22	Monthly	15	Based on Actual collection	Jan-24	Fixed	9.15%	Exclusive charge over book debts equivalent to 116% of loan amount,Cash margin of 5.5%.	805.27	-
23	Monthly	18	Based on Actual collection	Jan-24	Fixed	9.00%	Exclusive charge over book debts equivalent to 114% of loan amount,Cash margin of 7%.	1,605.39	-
24	Monthly	18	Based on Actual collection	Feb-24	Fixed	9.00%	Exclusive charge over book debts equivalent to 115% of loan amount,Cash margin of 5.5%.	1,562.98	-
25	Monthly	16	Based on Actual collection	Mar-24	Fixed	9.25%	Exclusive charge over book debts equivalent to 114% of loan amount,Cash margin of 5.5%.	689.27	-
26	Monthly	16	Based on Actual collection	Mar-24	Fixed	9.00%	Exclusive charge over book debts equivalent to 114% of loan amount,Cash margin of 5.5%.	1,773.19	-
27	Monthly	18	Based on Actual collection	May-24	Fixed	9.00%	Exclusive charge over book debts equivalent to 112% of loan amount,Cash margin of 5%.	1,043.90	-
							Total of Borrowings under Securitization arrangements	14,218.96	8,230.63

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

37 Details of terms & conditions of debt securities, borrowings and subordinated liabilities (Contd..)

Borrowings (other than debt securities) - from financial institutions in Foreign Currency (ECB)		Interest commencement month	Principal repayment month	Interest rate p.a	Nature of the security	Outstanding as at	
S No.	Repayment terms					March 31, 2024	March 31, 2023
1	Principal: Yearly, Interest: Half-yearly	Apr-23	Oct'24, Oct'25 and Oct'26	Limited to SOFR plus 500bps	Exclusive charge over book debts equivalent to 110%	1,233.77	1,232.10
2	Principal: Yearly, Interest: Half-yearly	May-23	Nov'24, Nov'25 and Nov'26	Limited to SOFR plus 500bps	Exclusive charge over book debts equivalent to 110%	816.73	815.66
3	Principal: Bullet repayment, Interest: Half-yearly	Oct-23	Apr-28	12.25%	Exclusive charge over book debts equivalent to 105% of loan amount	820.36	-
4	Principal: Bullet repayment, Interest: Quarterly	Jun-24	Jun-27	9.90%	Exclusive charge over book debts equivalent to 120% of loan amount	2,043.56	-
Total of Borrowings from Financial Institutions in Foreign Currency						4,914.42	2,047.76

Borrowings (other than debt securities) - from financial institutions (Unsecured)		No of instalments	Amount per instalment	Repayment commencement month	Interest Type	Interest Rate terms	Nature of the security	Outstanding as at	
S No.	Repayment terms							March 31, 2024	March 31, 2023
1	Monthly	24	18.92	Aug-21	Variable	FBLR - 1.3%	Unsecured	-	73.27
2	Monthly	24	41.67	Jul-25	Variable	FBLR + 3.80% Spread	Unsecured	688.44	-
Total of Borrowings from Financial Institutions (Unsecured)								688.44	73.27
Total of Borrowings (other than debt securities)								73,969.33	51,230.25
Total Borrowings								83,593.69	64,931.76

38 Assets pledged as security

The carrying amounts of assets pledged as security are:

	As at March 31, 2024	As at March 31, 2023
Financial assets		
First charge		
Loans	82,410.22	63,733.11
Term deposits with bank	5,957.35	3,908.44
Second charge	-	-
Total financial assets pledged as security	88,367.57	67,641.55

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

38 Assets pledged as security (Contd..)

	As at March 31, 2024	As at March 31, 2023
Non financial assets		
First charge		
Vehicles	-	-
Second charge	-	-
Total non financial assets pledged as security	-	-
Total assets pledged as security	88,367.57	67,641.55

39 Contingent liabilities and commitments

Credit enhancements provided by the Company towards securitisation transactions aggregate to INR 5,498.00 million (March 31, 2023: INR 3,381.96 million).

40 Financial instruments and Fair value disclosures

Financial instruments

A Financial assets and liabilities

The carrying amounts of financial instruments by category are as follows:

Particulars	Notes to schedule	As at March 31, 2024	As at March 31, 2023
Financial assets measured at fair value			
Loans	5	29,567.76	21,436.67
Financial assets measured at amortised cost			
Cash and cash equivalents	2	9,576.65	7,594.55
Bank balances other than cash and cash equivalents	3	6,210.62	3,909.58
Other receivables	4	2,574.84	722.10
Loans	5	64,789.24	48,830.18
Investments	6	467.09	633.59
Other financial assets	7	93.02	40.61
Total		1,13,279.22	83,167.28
Financial liabilities measured at amortised cost			
Other payables	13	138.85	119.27
Debt securities	14	9,624.36	13,701.51
Borrowings (other than debt securities)	15	73,969.33	51,230.25
Lease liabilities	10	1,645.03	1,299.40
Other financial liabilities	16	2,120.84	2,582.70
Total		87,498.41	68,933.13

B Fair values hierarchy

The fair value of financial instruments as referred to in note 'A' above has 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).

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

40 Financial instruments and Fair value disclosures (Contd..)

B.1 Valuation framework

Loan assets carried at fair value through other comprehensive income are categorized in Level 3 of the fair value hierarchy.

The Company's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure the quality and adequacy of the fair valuation. In order to arrive at the fair value of the above instruments, the Company obtains independent valuations. The valuation techniques and specific considerations for level 3 inputs are explained in detail below. The objective of the valuation techniques is to arrive at a fair value that reflects the price that would be received to sell the asset or paid to transfer the liability in the market at any given measurement date.

The fair valuation of the financial instruments and its ongoing measurement for financial reporting purposes is ultimately the responsibility of the finance team which reports to the Chief Financial Officer. The team ensures that final reported fair value figures are in compliance with Ind AS and will propose adjustments wherever required. When relying on third-party sources, the team is also responsible for understanding the valuation methodologies and sources of inputs and verifying their suitability for Ind AS reporting requirements.

B.2 Financial assets and liabilities measured at fair value - recurring fair value measurements

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	Level 1	Level 2	Level 3	Total
Asset at fair value through other comprehensive income				
Loans	-	-	29,567.76	29,567.76

As at March 31, 2023	Level 1	Level 2	Level 3	Total
Asset at fair value through other comprehensive income				
Loans	-	-	21,436.67	21,436.67

B.3 Valuation techniques

B.3A 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:

- Future cash flows: Include principal receivable, interest receivable and tenor information based on the repayment schedule agreed with the borrowers.
- Risk-adjusted discount rate: This rate has been arrived using the cost of funds approach.

The following inputs have been used:

- Cost of funds
- Credit spread of borrowers
- Servicing cost of a financial asset

Loan portfolio	Fair valuation as at March 31, 2024 *	Fair valuation as at March 31, 2023 *
Monthly	23,366.46	16,245.45
Weekly	6,120.09	5,180.94
Total	29,486.55	21,426.38

* Fair value excluding interest accrued and EIR adjustment

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

40 Financial instruments and Fair value disclosures (Contd..)

Fair value measurement sensitivity to significant unobservable inputs as at the end of each reporting year is as follows:

	March 31, 2024	March 31, 2023
Impact on fair value if change in risk adjusted discount rate		
- Impact due to increase of 0.50 %	(103.30)	(85.00)
- Impact due to decrease of 0.50 %	103.90	85.50
Impact on fair value if change in probability of default (PD)		
- Impact due to increase of 0.50 %	(50.10)	(34.70)
- Impact due to decrease of 0.50 %	50.30	34.80
Impact on fair value if change in loss given default (LGD)		
- Impact due to increase of 0.50 %	(1.80)	(1.40)
- Impact due to decrease of 0.50 %	1.80	1.40

B.4 Fair value of instruments measured at amortised cost

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

- (i) The management assessed that fair values of the following financial instruments to be approximate their respective carrying amounts, largely due to the short-term maturities of these instruments:

Cash and cash equivalents
 Bank balances other than cash and cash equivalents
 Other receivables
 Other payables
 Other financial assets and liabilities

- (ii) Majority of the Company's borrowings are at a variable rate interest and hence their carrying values represent best estimate of their fair value as these are subject to changes in underlying interest rate indices.

- (iii) The management assessed that fair values arrived by using the prevailing interest rates at the end of the reporting periods to be approximate their respective carrying amounts in case of the following financial instruments-

Loans
 Lease liabilities
 Debt securities
 Subordinated liabilities

41 Financial risk management

Introduction and risk profile

The Company has operations in India. The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, receivables, loans, investments, financial assets measured at amortised cost	Ageing analysis	Bank deposits, diversification of asset base, and credit limits.
Liquidity risk	Payables, debt securities, borrowings, subordinated liabilities, and other financial liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - interest rate	Debt securities, borrowings, subordinated liabilities at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

41 Financial risk management (Contd..)

A Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, other bank balances, other receivables, loan assets, investments and other financial assets. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

A.1 Credit risk management

The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets:

- (i) Low credit risk
- (ii) Moderate credit risk
- (iii) High credit risk

The Company provides for expected credit loss based on the following:

Asset group	Basis of categorisation	Provision for expected credit loss
Low credit risk	Cash and cash equivalents, other bank balances, other receivables, loans, investments and other financial assets	12 month expected credit loss
Moderate credit risk	Identified loans	Life time expected credit loss or 12 month expected credit loss
High credit risk	Identified loans	Life time expected credit loss fully provided for

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a borrower become non contactable or in financial distress or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made subsequently are recognized in the statement of profit and loss.

A.2 Financial assets that expose the entity to credit risk

	As at March 31, 2024	As at March 31, 2023
(i) Low credit risk on financial reporting date		
Cash and cash equivalents	9,576.65	7,594.55
Bank balances other than cash and cash equivalents	6,210.62	3,909.58
Other receivables	2,574.84	722.10
Loans*	92,982.68	69,408.82
Investments	467.09	633.59
Other financial assets	93.02	40.61
(ii) Moderate credit risk		
Identified loans*	1,044.98	436.67
(iii) High credit risk		
Identified loans*	2,207.89	2,141.53

* These represent gross carrying values of financial assets, without deduction for expected credit losses

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

41 Financial risk management (Contd..)

A.3 Management of credit risk for financial assets other than loans

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is considered to be very low as the Company only deals with high rated banks. The risk is also managed by diversifying bank deposits and accounts in different banks across the country.

Other receivables

The Company faces very less credit risk under this category as most of the transactions are entered with highly rated organisations and credit risk relating to these are managed by monitoring recoverability of such amounts continuously.

Other financial assets measured at amortised cost

Other financial assets measured at amortised cost includes advances to employees and security deposits. Credit risk related to these financial assets is managed by monitoring the recoverability of such amounts continuously.

A.4 Expected credit losses for financial assets other than loans

March 31, 2024	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	9,576.65	-	-	9,576.65
Bank balances other than above	6,210.62	-	-	6,210.62
Other receivables	2,574.84	-	-	2,574.84
Investments	467.09	-	-	467.09
Other financial assets	93.02	-	-	93.02

March 31, 2023	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	7,594.55	-	-	7,594.55
Bank balances other than above	3,909.58	-	-	3,909.58
Other receivables	722.10	-	-	722.10
Investments	633.59	-	-	633.59
Other financial assets	40.61	-	-	40.61

A.5 Management of credit risk for loans

Credit risk on loans is the single largest risk of the Company's business, and therefore the Company has developed several processes and controls to manage it. The Company is engaged in the business of providing unsecured micro finance facilities to women having limited source of income, savings and credit histories repayable in weekly or monthly instalments.

The Company duly complies with the RBI guidelines ('Non-Banking Financial Company-Micro Finance Institutions' (NBFC-MFIs - Directions) with regards to disbursement of loans namely:

- Microfinance loans are given to an individual having annual household income up to INR 3,00,000
- Maximum FOIR (Fixed Obligation to Income Ratio) should be 50%

The credit risk on loans can be further bifurcated into the following elements:

- (i) Credit default risk
- (ii) Concentration risk

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

41 Financial risk management (Contd..)

(i) Management of credit default risk:

Credit default risk is the risk of loss arising from a debtor being unlikely to pay the loan obligations in full or the debtor is more than 90 days past due on any material credit obligation. The Company majorly manages this risk by following "joint liability mechanism" wherein the loans are disbursed to borrowers who form a part of an informal joint liability group ("JLG"), generally comprising of eight to forty five members. Each member of the JLG provide a joint and several guarantees for all the loans obtained by each member of the group.

In addition to this, there is set criteria followed by the Company to process the loan applications. Loans are generally disbursed to the identified target segments which include economically active women having regular cash flow engaged in the business such as small shops, vegetable vendors, animal husbandry business, tailoring business and other self-managed business. Out of the people identified out of target segments, loans are only disbursed to those people who meet the set criterion - both financial and non-financial as defined in the credit policy of the Company. Some of the criteria include - annual income, repayment capacity, multiple borrowings, age, group composition, health conditions, and economic activity etc. Some of the segments identified as non-target segments are not eligible for a loan. Such segments include - wine shop owners, political leaders, police & lawyers, individuals engaged in the business of running finance & chit funds and their immediate family member or people with criminal records etc.

(ii) Management of concentration risk:

Concentration risk is the risk associated with any single exposure or group of exposures with the potential to produce large enough losses to threaten Company's core operations. It may arise in the form of single name concentration or industry concentration. In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentration risks are controlled and managed accordingly.

A.5.1 Credit risk measurement - Expected credit loss measurement

Ind AS 109 outlines a "three stage" model for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial instrument that is not credit impaired on initial recognition and whose credit risk has not increased significantly since initial recognition is classified as "Stage 1".
- If a significant increase in credit risk since initial recognition is identified, the financial instrument is moved to "Stage 2" but is not yet deemed to be credit impaired.
- If a financial instrument is credit impaired, it is moved to "Stage 3".

ECL for depending on the stage of financial instrument:

- Financial instrument in Stage 1 have their ECL measured at an amount equal to expected credit loss that results from default events possible within the next 12 months.
- Instruments in Stage 2 or Stage 3 criteria have their ECL measured on lifetime basis.

A.5.2 Criteria for significant increase in credit risk

The Company considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative or qualitative criteria are met.

(i) Quantitative criteria

The remaining lifetime probability of default at the reporting date has increased, compared to the residual lifetime probability of default expected at the reporting date when the exposure was first recognized. The Company considers loan assets as Stage 2 when the default in repayment is within the range of 30 to 90 days.

(ii) Qualitative criteria

If other qualitative aspects indicate that there could be a delay/default in the repayment of the loans, the Company assumes that there is significant increase in risk and loan is moved to stage 2.

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

41 Financial risk management (Contd..)

The Company considers the date of initial recognition as the base date from which significant increase in credit risk is determined.

A.5.3 Criteria for default and credit-impaired assets

The Company defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets the following criteria:

(i) Quantitative criteria

The Company considers loan assets as Stage 3 when the default in repayment has moved beyond 90 days.

(ii) Qualitative criteria

The Company considers factors that indicate unlikelihood of the borrower to repay the loan which include instances like the significant financial difficulty of the borrower, borrower deceased or breach of any financial covenants by the borrower etc

A.5.4 Measuring ECL - explanation of inputs, assumptions and estimation techniques

Expected credit losses are the discounted product of the probability of default (PD), exposure at default (EAD) and loss given default (LGD), defined as follows:

- PD represents the likelihood of the borrower defaulting on its obligation either over next 12 months or over the remaining lifetime of the instrument.
- EAD is based on the amounts that the Company expects to be owed at the time of default over the next 12 months or remaining lifetime of the instrument.
- LGD represents the Company's expectation of loss given that a default occurs. LGD is expressed in percentage and remains unaffected from the fact that whether the financial instrument is a Stage 1 asset, or Stage 2 or even Stage 3. However, it varies by type of borrower, availability of security or other credit support.

Probability of default (PD) computation model

The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

Loss given default (LGD) computation model

The loss rate is the likely loss intensity in case a borrower defaults. It provides an estimation of the exposure that cannot be recovered in the event of a default and thereby captures the severity of the loss. The loss rate is computed by factoring the main drivers for losses (e.g. joint group liability mechanism, historical recoveries trends etc.) and arriving at the replacement cost.

A.6 Credit risk exposure

Internal rating grade	As at March 31, 2024				As at March 31, 2023			
	ECL Staging				ECL Staging			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Category 1*	38,193.70	359.80	790.40	39,343.90	29,980.48	302.05	1,437.52	31,720.05
Category 2#	54,788.98	685.18	1,417.49	56,891.65	39,428.34	134.62	704.01	40,266.97
Gross carrying amount	92,982.68	1,044.98	2,207.89	96,235.55	69,408.82	436.67	2,141.53	71,987.02
Loss allowance	520.77	11.10	1,346.68	1,878.55	383.14	53.84	1,283.19	1,720.17
Carrying amount	92,461.91	1,033.88	861.21	94,357.00	69,025.68	382.83	858.34	70,266.85

* The company categorises loans disbursed to Kerala and Tamil Nadu under category 1.

The company categorises loans disbursed to other than Kerala and Tamil Nadu under category 2.

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

41 Financial risk management (Contd..)

A.6.1 Credit enhancements

The assessment of significant increase in risk and the calculation of ECL both incorporate forward-looking information. The Company has evaluated that the analysis of forward-looking information reveal that the scenario applicable to the Company is "Base Case Scenario" which assumes that the that Macroeconomic conditions are normal and is similar to previous periods. In this case normal credit rating and corresponding PD & LGD is considered for ECL computation.

A.7 Loss allowance

The loss allowance recognized in the period is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent "step up" (or "step down") between 12-month and Lifetime ECL.
- Additional allowances for new financial instruments recognized during the period, as well as releases for financial instruments de-recognized in the period
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models
- Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period

The following table further explains changes in the gross carrying amount of the Loan portfolio to help explain their significance to the changes in the loss allowance for the same portfolio as discussed above:

Gross amount	Stage 1	Stage 2	Stage 3	Total
	12 months ECL	Lifetime ECL	Lifetime ECL	
Balance as at April 1, 2022	40,665.01	2,642.24	2,890.01	46,197.26
New assets originated	79,078.08	127.33	34.87	79,240.28
Assets derecognised or repaid (excluding write offs)	(49,957.94)	(2,624.50)	(14.10)	(52,596.54)
Transfers to Stage 1	29.36	(29.04)	(0.32)	-
Transfers to Stage 2	(378.93)	379.29	(0.37)	-0.00
Transfers to Stage 3	(575.60)	(58.65)	634.25	-
Amounts written off	-	-	(1,402.81)	(1,402.81)
Change in fair value of loan assets	548.84	-	-	548.84
Balance as at March 31, 2023	69,408.82	436.67	2,141.53	71,987.02

Gross amount	Stage 1	Stage 2	Stage 3	Total
	12 months ECL	Lifetime ECL	Lifetime ECL	
Balance as at April 1, 2023	69,408.82	436.67	2,141.53	71,987.02
New assets originated	1,05,923.88	661.02	285.59	1,06,870.49
Assets derecognised or repaid (excluding write offs)	(80,873.73)	(306.42)	(341.42)	(81,521.57)
Transfers to Stage 1	6.87	(3.38)	(3.49)	-
Transfers to Stage 2	(488.58)	488.80	(0.22)	-
Transfers to Stage 3	(1,213.39)	(231.71)	1,445.10	-
Amounts written off	-	-	(1,319.20)	(1,319.20)
Change in fair value of loan assets	218.81	-	-	218.81
Balance as at March 31, 2024	92,982.68	1,044.98	2,207.89	96,235.55

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

41 Financial risk management (Contd..)

The following tables explain the changes in the loss allowance between the beginning and the end of the annual period due to these factors:

Loss allowance	Stage 1	Stage 2	Stage 3	Total
	12 months ECL	Lifetime ECL	Lifetime ECL	
Balance as at April 1, 2022	580.94	47.49	1,201.60	1,830.02
New assets originated	295.19	1.61	39.06	335.86
Assets derecognised or repaid (excluding write offs)	(242.62)	(23.50)	(768.39)	(1,034.51)
Transfers to Stage 1	0.14	(1.07)	(0.23)	(1.16)
Transfers to Stage 2	(10.48)	54.36	(0.46)	43.41
Transfers to Stage 3	(13.26)	(11.32)	614.25	589.68
Changes to models and inputs used for ECL calculation	(226.76)	(13.73)	157.16	(83.34)
Amounts written off	-	-	(44.74)	(44.74)
Balance as at March 31, 2023	383.14	53.84	1,198.24	1,635.21
Additional credit loss provided by Management	-	-	84.94	84.94
Provision as per books	383.14	53.84	1,283.18	1,720.16

Loss allowance	Stage 1	Stage 2	Stage 3	Total
	12 months ECL	Lifetime ECL	Lifetime ECL	
Balance as at April 1, 2023	383.14	53.84	1,198.24	1,635.22
New assets originated	437.23	7.27	115.24	559.74
Assets derecognised or repaid (excluding write offs)	(187.73)	(25.81)	(152.32)	(365.86)
Transfers to Stage 1	1.49	(0.49)	(2.59)	(1.59)
Transfers to Stage 2	(6.80)	3.34	(0.27)	(3.73)
Transfers to Stage 3	(11.53)	(6.01)	694.06	676.52
Changes to models and inputs used for ECL calculation	(95.03)	(21.04)	39.94	(76.13)
Amounts written off	-	-	(694.63)	(694.63)
Balance as at March 31, 2024	520.77	11.10	1,197.67	1,729.54
Additional credit loss provided by Management	-	-	149.01	149.01
Provision as per books	520.77	11.10	1,346.68	1,878.55

A.8 Concentration of credit risk

The Company monitors concentration of credit risk by type of industry in which the borrower operates, further bifurcated into type of borrower, whether state or private.

Industry	As at March 31, 2024	As at March 31, 2023
Gross carrying amount of loans	96,235.55	71,987.02
Concentration by industry		
Agriculture	29,209.84	17,781.99
Animal husbandry	29,370.96	27,138.59
Manufacturing (Including MSME)	5,002.19	3,266.11
Services	23,829.86	16,994.81
Trading (Including MSME)	7,943.71	5,963.10
Consumption	605.73	307.64
Education	4.19	110.90
Personal Loan	212.60	259.43
Corporate Loan	56.46	164.45
	96,235.55	71,987.02

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

41 Financial risk management (Contd..)

Industry	As at March 31, 2024	As at March 31, 2023
Concentration by Geography		
Loans disbursed in Kerala and Tamil Nadu	39,343.90	31,720.05
Loans disbursed outside Kerala and Tamil Nadu	56,891.65	40,266.97
Gross Carrying Amount	96,235.55	71,987.02

A.9 Write off policy

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery.

Indicators that there is no reasonable expectation of recovery include:

- Ceasing enforcement activity
- Where the Company's recovery method is foreclosing and there is no reasonable expectation of recovery in full.
- Specific identification by Management

The Company may write off financial assets that are still subject to enforcement activity. The outstanding contractual amounts of such assets written off during the year ended March 31, 2024 was INR 1,319.20 million (March 31, 2023: INR 1,402.81 million). The Company still seeks to recover amounts it is legally owed in full, but which have been partially written off due to no reasonable expectation of full recovery.

B Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

B.1 Maturities of financial liabilities

The tables below analyse the Company financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

March 31, 2024	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Other payables	-	138.85	-	-	-	138.85
Debt securities	876.54	1,923.56	2,755.38	5,828.89	-	11,384.37
Borrowings (other than debt securities)	4,246.78	10,389.74	37,271.69	30,850.89	-	82,759.10
Lease liabilities	-	87.69	263.07	1,298.74	743.30	2,392.80
Other financial liabilities	1,786.27	223.60	109.04	1.93	-	2,120.84
Total	6,909.59	1,2763.45	40,399.18	37,980.44	743.30	98,795.96

March 31, 2023	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Other payables	-	117.39	1.88	-	-	119.27
Debt securities	18.03	212.43	8,624.46	7,962.36	-	16,817.28
Borrowings (other than debt securities)	2,330.86	6,857.44	25,920.61	22,705.30	-	57,814.20
Lease liabilities	-	68.19	204.56	1,031.32	592.53	1,896.60
Other financial liabilities	175.52	1,738.90	593.12	75.16	-	2,582.70
Total	2,524.41	8,994.35	35,344.63	31,774.14	592.53	79,230.06

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

41 Financial risk management (Contd..)

C Market risk - Interest rate risk

C.1 Liabilities

The Company's policy is to minimize interest rate cash flow risk exposures on long-term financing. At March 31, 2023, the Company is exposed to changes in market interest rates through borrowings at variable interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

Particulars	March 31, 2024	March 31, 2023
Debt securities		
Variable rate	-	-
Fixed rate	9,624.36	13,701.51
Borrowings (other than debt securities)		
Variable rate	43,427.01	35,173.62
Fixed rate	30,542.32	16,056.63
Subordinated liabilities		
Variable rate	-	-
Fixed rate	-	-

Sensitivity

Below is the sensitivity of profit or loss in interest rates.

Particulars	March 31, 2024	March 31, 2023
Interest sensitivity*		
Interest rates – increase by 50 basis points	(217.14)	(175.87)
Interest rates – decrease by 50 basis points	217.14	175.87

* Holding all other variables constant

C.2 Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. The Company's loan assets are at fixed interest rate. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

42 Capital management

The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure the Company may issue new shares, or sell assets to reduce debt.

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

42 Capital management (Contd..)

A Net Debt Equity ratio

Particulars	March 31, 2024	March 31, 2023
Debt securities	9,624.36	13,701.51
Borrowings (other than debt securities)	73,969.33	51,230.25
Total borrowings	83,593.69	64,931.76
Less:		
Cash and cash equivalents	9,576.65	7,594.55
Bank balances other than cash and cash equivalents	6,210.62	3,909.58
	15,787.27	11,504.13
Net debt	67,806.42	53,427.63
Equity share capital	1,704.93	1,401.98
Other equity	26,338.60	14,856.51
Total equity	28,043.53	16,258.49
Net debt to equity ratio/gearing ratio	2.42	3.29

43 Share based payments

The Company 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 the Company, their performance as well as to attract, retain and motivate employees to contribute to the growth and profitability of the Company.

Details of Employees 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	15,14,864 options (Including 99,250 options lapsed/cancelled due to resignation of employees). Total ESOP 2016 is 1,415,614 shares.			
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.			

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

43 Share based payments (Contd..)

Details of Employees 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	27,02,647 options (Including 36,000 options lapsed/cancelled due to resignation). Total ESOP 2022 is 26,66,647 shares.	
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 grant and exercise of such options are as follows:

Particulars	ESOP 2016							
	Grant -1		Grant -2		Grant -3		Grant -4	
No. of options granted	6,65,000		2,99,000		4,79,864		71,000	
Date of grant of options	December 5, 2016		February 22, 2018		November 9, 2021		August 10, 2023	
No. of employee to whom such options were granted	4		62		37		13	
Reporting year	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
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		-	

Particulars	ESOP 2022			
	Grant -1		Grant -2	
No. of options granted	24,65,500		2,37,147	
Date of grant of options	November 04, 2022		August 10, 2023	
No. of employee to whom such options were granted	106		13	
Reporting year	2023-24	2022-23	2023-24	2022-23
Exercise Price*	151.00		197.00	
No. of employees who have exercised the option during the year	-	-	-	-
No. of options exercised	-	-	-	-

*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.

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

43 Share based payments (Contd..)

Summary of options granted under the plan:

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of options	Weighted average exercise price (INR)	No. of options	Weighted average exercise price (INR)
Outstanding options at the beginning of the year	32,26,739	129.48	7,85,864	61.96
Granted during the year	3,08,147	197.00	24,65,500	151.00
Forfeited/Lapsed during the year	76,375	121.34	24,625	70.69
Exercised during the year	2,43,750	34.96	-	-
Outstanding options at the end of the year	32,14,761	143.76	32,26,739	129.48
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	

Share options outstanding at the end of the year having the following expiry date and exercise price:

Grant	Grant Date	Expiry date	Exercise price INR	Share options March 31, 2024	Share options March 31, 2023
Grant 1 ESOP 2016	05-Dec-16	04-Jun-21	14.00	7,500	1,66,250
Grant 2 ESOP 2016	22-Feb-18	22-Feb-22	67.00	97,250	1,24,500
Grant 3 ESOP 2016	09-Nov-21	08-Nov-25	77.20	3,82,364	4,70,489
Grant 4 ESOP 2016	10-Aug-23	09-Aug-27	197.00	71,000	-
Grant 1 ESOP 2022	04-Nov-22	03-Nov-26	151.00	24,19,500	24,65,500
Grant 2 ESOP 2022	10-Aug-23	09-Aug-27	197.00	2,37,147	-
Total				32,14,761	32,26,739
Weighted average remaining contractual life of options outstanding at the end of the year (in years)				2.47	3.13

The Company has INR 312.11 millions (March 31, 2023: INR 312.11 millions) recoverable from Muthoot Welfare Trust pursuant to ESOP schemes.

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	5.00	5.01	5.00	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	18.50	66.69	77.20	196.70	150.96	196.70
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.

Number of options granted during the period - 308,147 shares (Previous year - 2,465,500 shares)

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

44 Operating segments

The company is primarily engaged in business of micro finance and the business activity falls within one operating segment, as this is how the chief operating decision maker of the Company looks at the operations. All activities of the Company revolve around the main business. Hence the disclosure requirement of Indian Accounting Standard 108 of "Segment Reporting" is not considered applicable.

45 Transfer of financial assets

Transferred financial assets that are derecognised in their entirety

During the year ended March 31, 2024, the Company has sold some loans and advances measured at fair value through other comprehensive income as per assignment deals, as a source of finance. As per the terms of these deals, since substantial risks and rewards related to these assets were transferred to the buyer, the assets have been derecognised from the Company's balance sheet.

The Company has assessed the business model under Ind AS 109 "Financial Instruments" and consequently the financial assets are measured at fair value through other comprehensive income.

The gross carrying value of the loan assets derecognised during the year ended March 31, 2024 amounts to INR 27,133.93 millions (March 31, 2023: INR 18,322.48 millions) and the gain from derecognition during the year ended March 31, 2024 amounts to INR 2,231.66 millions (March 31, 2023: INR 1,363.16 millions)

Transferred financial assets that are not derecognised in their entirety

In the course of its micro finance or lending activity, the company makes transfers of financial assets, where legal rights to the cash flows from the asset are passed to the counterparty and where the company retains the rights to the cash flows but assumes a responsibility to transfer them to the counterparty.

Securitisation	As at March 31, 2024	As at March 31, 2023
Carrying value and fair value of securitised assets	12,754.22	8,233.01
Carrying value and fair value of associated liabilities	14,246.42	8,256.39

46 Revenue from contracts with customers

Set out below is the disaggregation of the Company's revenue from contracts with customers and reconciliation to profit and loss account:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Type of service		
Commission income	409.09	173.22
	409.09	173.22
Geographical markets		
India	409.09	173.22
Outside India	-	-
	409.09	173.22
Timing of revenue recognition		
Services transferred over time	48.05	19.91
Services transferred at a point in time	361.04	153.31
	409.09	173.22

Contract balances

	As at March 31, 2024	As at March 31, 2023
Other receivables	145.05	159.85
	145.05	159.85

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

46 Revenue from contracts with customers (Contd..)

Other receivables are non-interest bearing and are generally on terms of 30 to 90 days. During the year ended March 31, 2024 an amount of Nil (March 31, 2023: Nil) was recognised as provision for expected credit losses on other receivable.

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue as per contract	409.09	173.22
Adjustments	-	-
Revenue from contract with customers	409.09	173.22

Revenue recognition for contract with customers - Commission income:

The Contract with customers through which the Company earns a commission income includes the following promises:

- (i) Sourcing of loans
- (ii) Servicing of loans

Both these promises are separable from each other and do not involve significant integration. Therefore, these promises constitute separate performance obligations.

No allocation of the consideration between both the promises was required as the management believes that the contracted price are close to the standalone fair value of these services.

Revenue recognition for both the promises:

- (i) **Sourcing of loans:** The consideration for this service is arrived based on an agreed percentage/fee on the loans disbursed during the year. Revenue for sourcing of loans shall be recognized as and when the loans are disbursed. The revenue therefore, for this service, shall be recognized based on the disbursements actually made during each year.
- (ii) **Servicing of loans:** The consideration for this service is arrived based on an agreed percentage on the actual collections during the year. The Company receives servicing commission only on actual collections. Revenue for servicing of loans shall be recognized over a period of time, as the customer benefits from the services as and when it is delivered by the Company. However, since the Company has a right to consideration from a customer in an amount that corresponds directly with the value of service provided to date, applying the practical expedient available under the standard, the Company shall recognise revenue for the amount to which it has a right to invoice.

47 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:

	As at March 31, 2024			As at March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	9,576.65	-	9,576.65	7,594.55	-	7,594.55
Bank balances other than cash and cash equivalents	3,809.30	2,401.32	6,210.62	1,596.94	2,312.64	3,909.58
Other receivables	2,536.44	38.40	2,574.84	707.28	14.82	722.10
Loans	60,128.96	34,228.04	94,357.00	43,459.47	26,807.38	70,266.85
Investments	-	467.09	467.09	-	633.59	633.59
Other financial assets	21.29	71.73	93.02	6.07	34.54	40.61
Non-financial assets						
Current tax assets (net)	-	131.13	131.13	-	104.60	104.60
Deferred tax asset (net)	-	-	-	-	57.75	57.75
Property, plant and equipment	-	732.82	732.82	-	594.37	594.37

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

47 Maturity analysis of assets and liabilities (Contd..)

	As at March 31, 2024			As at March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Right of use assets	226.67	1,184.20	1,410.87	178.37	943.35	1,121.72
Other intangible assets	-	2.86	2.86	-	2.92	2.92
Other non-financial assets	299.58	45.78	345.36	242.68	0.67	243.35
Total	76,598.88	39,303.38	1,15,902.26	53,785.36	31,506.63	85,291.99
Liabilities						
Financial liabilities						
Payables						
Other payables						
total outstanding dues to micro enterprises and small enterprises	24.79	-	24.79	-	-	-
total outstanding dues to creditors other than micro enterprises and small enterprises	114.06	-	114.06	119.27	-	119.27
Debt securities	4,470.14	5,154.22	9,624.36	7,058.89	6,642.62	13,701.51
Borrowings (other than debt securities)	46,120.75	27,848.58	73,969.33	30,222.93	21,007.32	51,230.25
Lease liability	332.98	1,312.06	1,645.03	258.88	1,040.52	1,299.40
Other financial liabilities	2,118.91	1.93	2,120.84	2,507.54	75.16	2,582.70
Non financial liabilities						
Deferred tax liability (net)	-	93.04	93.04	-	-	-
Provisions	-	110.09	110.09	-	36.13	36.13
Other non financial liabilities	157.19	-	157.19	64.24	-	64.24
Total	53,338.82	34,519.92	87,858.73	40,231.75	28,801.75	69,033.50

48 Reconciliation of liabilities from financing activities

	As at April 1, 2023	Cash flow		Non-cash				As at March 31, 2024
		Additions	Payment	Interest Expense	Additions to lease liabilities	Deletions to lease liabilities	Upfront fees and amortisation	
Debt securities	13,701.51	3,000.00	(7,163.84)	-	-	-	86.69	9,624.36
Borrowings (other than debt securities)	51,230.25	66,146.65	(43,261.57)	-	-	-	(145.99)	73,969.33
Lease liabilities	1,299.40	-	(304.34)	160.20	508.44	(18.66)	-	1,645.03
Total liabilities from financial activities	66,231.16	69,146.65	(50,729.76)	160.20	508.44	(18.66)	(59.29)	85,238.73

	As at April 1, 2022	Cash flow		Non-cash				As at March 31, 2023
		Additions	Payment	Interest Expense	Additions to lease liabilities	Deletions to lease liabilities	Upfront fees and amortisation	
Debt securities	6,746.27	9,091.27	(2,121.26)	-	-	-	(14.77)	13,701.51
Borrowings (other than debt securities)	32,969.84	49,487.43	(31,134.86)	-	-	-	(92.16)	51,230.25
Subordinated liabilities	249.98	-	(250.00)	-	-	-	0.03	0.00
Lease liabilities	913.96	-	(225.30)	128.93	497.32	(15.51)	-	1,299.40
Total liabilities from financial activities	40,880.05	58,578.70	(33,731.42)	128.93	497.32	(15.51)	(106.91)	66,231.16

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

49 Additional Regulatory information as per amendments in Schedule III of Companies Act, 2013 (MCA notification dated March 24, 2021)

- (i) The Company doesn't have any immovable property whose title deeds are not held in the name of the Company.
- (ii) Investments made by the Company is carried at amortized cost in the financials.
- (iii) The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets) during the year or previous year.
- (iv) The Company has not revalued its intangible assets during the year or previous year.
- (v) The Company has not given any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are a) repayable on demand; or b) without specifying any terms or year of repayment.
- (vi) Capital Work in Progress & Intangible Assets under Development are nil for current year and Previous year.
- (vii) The company doesn't 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 pending against the company for the same.
- (viii) 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.
- (ix) The company has reviewed transactions to identify if there are any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956. To the extent information is available on struck off companies, there are no transaction with struck off companies.
- (x) There is no charges or satisfaction to be registered with ROC beyond the statutory period.
- (xi) 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.
- (xii) Company has not traded/invested in crypto currency or virtual currency during the current year and previous year.
- (xiii) 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.
- (xiv) 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.

(xv) Liquidity Coverage Ratio:-

The Company follows the criteria laid down by RBI for calculation of High Quality Liquid Assets (HQLA), gross outflows and inflows within the next 30-day period. HQLA predominantly comprises cash and balance with other banks in current account. All significant outflows and inflows determined in accordance with RBI guidelines are included in the prescribed LCR computation template.

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

49 Additional Regulatory information as per amendments in Schedule III of Companies Act, 2013 (MCA notification dated March 24, 2021) (Contd..)

Particulars	March 31, 2024		March 31, 2023	
	Total Unweighted Value (Average)#	Total Weighted Value (Average)@	Total Unweighted Value (Average)#	Total Weighted Value (Average)@
High Quality Liquid Assets				
Cash and bank balance	5,164.00	5,164.00	7,594.55	7,594.55
	5,164.00	5,164.00	7,594.55	7,594.55
Cash Outflow				
Deposits	-	-	-	-
Unsecured wholesale funding	-	-	-	-
Secured wholesale funding	-	-	-	-
Additional requirements, of which				
i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-
ii) Outflows related to loss of funding on debt products	-	-	-	-
iii) Credit and liquidity facilities	-	-	-	-
Other contractual funding obligations	6,880.05	7,912.06	8,203.57	9,434.10
Other contingent funding obligations	-	-	-	-
	6,880.05	7,912.06	8,203.57	9,434.10
Cash Inflows				
Unsecured Lending	-	-	-	-
Inflows from fully performing exposures	6,514.99	4,886.24	2,992.66	2,244.50
Other cash inflows	-	-	-	-
	6,514.99	4,886.24	2,992.66	2,244.50
75% of Stressed Outflows		5,934.05		7,075.58
Total Net Cash Outflows		3,025.82		7,189.60
Liquidity Coverage Ratio		170.66%		105.63%

#Unweighted values are calculated as outstanding balances maturing or callable within one month (for inflows and outflows).

Averages are calculated basis simple average of daily observations over the previous quarter.

@ Weighted values are calculated after the application of respective haircuts (for HQLA) and stress factors on inflow (75%) and outflow (115%).

50 The Company have 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 Additional disclosures as required by the Reserve Bank of India

(A) Disclosure as per Master Direction RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 (updated as on March 21, 2024) are as under:-

(i) Capital to Risk Assets Ratio ("CRAR"):-

	As at March 31, 2024	As at March 31, 2023
CRAR (%)	28.97%	21.87%
CRAR – Tier I capital (%)	28.97%	21.87%
CRAR – Tier II capital (%)	0.00%	0.00%
Amount of subordinated debt raised during the year included in Tier-II capital	-	-
Amount raised by issue of perpetual debt instruments	-	-

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

51 Additional disclosures as required by the Reserve Bank of India (Contd..)

(ii) Investments

The Investment of the company as on March 31, 2024 : INR 467.09 million (March 31, 2023: INR 633.59 Million). (Refer Note -6)

(iii) Derivatives

The Company has no transactions / exposure in derivatives in the current and previous years.

The Company has no unhedged foreign currency exposure as on March 31, 2024 (March 31, 2023: Nil).

(iv) (a) Disclosures relating to securitisation:-

	As at March 31, 2024	As at March 31, 2023
SPVs relating to outstanding securitisation transactions		
Number of SPVs sponsored by the NBFC for securitisation transactions as on the date of the balance sheet (Nos)	16	14
Total amount of securitised assets as per books of the SPVs sponsored as on the date of the balance sheet	14,246.42	8,256.39
Total amount of exposures retained by the NBFC to comply with minimum retention requirement ('MRR')		
Off-balance sheet exposures		
First loss	-	-
Others	-	-
On-balance sheet exposures		
First loss (cash collateral)	1,712.02	1,448.60
Others (credit enhancement)	3,785.98	1,933.36
Amount of exposures to securitisation transactions other than MRR		
Off-balance sheet exposures		
Exposure to own securitizations		
First loss	-	-
Others	-	-
Exposure to third party securitisations		
First loss	-	-
Others	-	-
On-balance sheet exposures		
Exposure to own securitizations		
First loss (cash collateral)	-	-
Others	-	-
Exposure to third party securitisations		
First loss	-	-
Others	-	-

(iv) (b) Disclosure as per RBI circular no.DBOD.No.BP.BC.60/21.04.048/2005-06 dated February 1, 2006.

	As at March 31, 2024	As at March 31, 2023
i) Total number of loan assets securitized during the year (Nos)	6,14,206	4,32,536
ii) Book value of loan assets securitized during the year	24,349.09	14,829.88
iii) Sale consideration received during the year	21,197.21	13,092.63
iv) Credit enhancement provided during the year		
- Principal subordination	3,151.88	2,615.66
- Cash collateral	1,426.63	1,202.01

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

51 Additional disclosures as required by the Reserve Bank of India (Contd..)

(v) Details of financial assets sold to securitization / reconstruction company for asset reconstruction:-

	As at March 31, 2024	As at March 31, 2023
i) Total number of loan assets sold during the year (Nos)	-	1,42,791
ii) Aggregate value (net of provisions) of accounts sold to SC / RC	-	2,096.91
iii) Aggregate consideration	-	900.00
iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
v) Aggregate gain / loss over net book value	-	1,196.91

(vi) Details of assignment transactions undertaken:-

	As at March 31, 2024	As at March 31, 2023
i) Total number of loan assets assigned during the year (Nos)	6,83,960	5,37,668
ii) Book value of loan assets assigned during the year including MRR	27,133.93	18,322.48
iii) Sale consideration received during the year	23,269.07	16,133.49

(vii) Details of non-performing financial assets purchased/sold

The Company has not purchased /sold non-performing financial assets in the current and previous year, except the sale of non performing assets to Asset Reconstruction Company as mentioned in Note 50 (A)(v).

(viii) Exposures:-

The Company has no exposure to the real estate sector and capital market directly or indirectly in the current and previous year.

There is no intra group exposure in the current and previous year.

(ix) Details of financing of parent company products

The Company does not finance the products of the parent / holding company.

(x) Unsecured advances

The Company has not given any Loans and advances against intangible securities during the current and previous year

(xi) Registration obtained from other financial sector regulators:-

The Company is not registered with any other financial sector regulators.

(xii) Disclosure of Penalties imposed by RBI & other regulators:-

No penalty has been imposed by RBI or any other lending institutions in connection with any lending arrangements during current and previous year.

(xiii) Draw down from reserves:-

There has been no draw down from reserve during the period ended March 31, 2024 (31 March 2023: Nil).

(xiv) Divergence in Asset classification and provisioning:-

There is no Divergence assessed by Reserve Bank of India.

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

51 Additional disclosures as required by the Reserve Bank of India (Contd..)

(xv) Asset Liability Management Maturity pattern of certain items of assets and liabilities:*

As at March 31, 2024

Particulars	1 to 7 Days	8 to 14 Days	15 to 30/31 Days	Over one to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 Year	Over 1 Year upto 3 Year	Over 3 Year upto 5 Year	Over 5 Year	Total
Liabilities											
Borrowings	568.67	1,113.80	2,542.48	5,225.29	5,510.31	12,862.34	22,366.06	27,347.62	1,500.00	-	79,036.57
Foreign Currency Liabilities	-	-	-	-	-	-	684.93	1,369.87	2,905.38	-	4,960.18
Assets											
Advances	1,506.65	1,718.44	1,420.34	4,865.69	4,765.82	15,023.91	27,766.21	34,646.72	608.37	-	92,322.16
Deposits	2,660.06	509.44	166.15	273.37	376.86	759.08	2,225.89	2,372.82	-	-	9,343.66
Investments	-	-	-	-	-	-	-	-	466.64	0.45	467.09

As at March 31, 2023

Particulars	1 to 7 Days	8 to 14 Days	15 to 30/31 Days	Over one to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 Year	Over 1 Year upto 3 Year	Over 3 Year upto 5 Year	Over 5 Year	Total
Liabilities											
Borrowings	159.10	338.08	1,207.56	2,740.21	3,115.58	10,457.52	19,538.41	24,164.25	1,500.00	-	63,220.71
Foreign Currency Liabilities	-	-	-	-	-	-	-	1,369.87	684.93	-	2,054.80
Assets											
Advances	1,010.63	1,098.46	883.57	3,414.16	3,350.80	10,496.24	20,318.27	26,993.27	725.54	-	68,290.94
Deposits	842.88	3,902.50	61.42	13.55	3.19	437.26	1,118.55	2,299.62	-	-	8,678.97
Investments	-	-	-	-	-	-	-	-	633.14	0.45	633.59

*Asset Liability Management pattern is disclosed in accordance with "Master Direction – Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions, 2023" issued by Reserve Bank of India. The Company is to disclose expected fund inflows and outflows and hence fair valuation / amortisation adjustments made on account of adoption of Ind AS are not considered here.

(xvi) During the year, the Company's various instruments were rated, the details of these ratings for the year ended March 31, 2024 are as under:-

	Rating agency	Date of rating	Valid upto	Rating assigned	Borrowing limit
MFI rating	CRISIL	20-Jul-23	19-Jul-24	M1C1	Not applicable
Bank Loan Rating	CRISIL	19-Mar-24	18-Mar-25	CRISIL A+/ Stable (Reaffirmed)	1,00,000.00
NCD	CRISIL	19-Mar-24	18-Mar-25	CRISIL A+/ Stable (Reaffirmed)	9,500.00
NCD-MLD	CRISIL	19-Mar-24	18-Mar-25	CRISIL PPMLD A+/ Stable (Reaffirmed)	4,800.00
Commercial paper	CRISIL	19-Mar-24	18-Mar-25	CRISIL A1+ (Reaffirmed)	500.00

Note: A fresh letter of revalidation from CRISIL is required if the proposed facilities are not availed within a period of 180 days from the date of rating.

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

51 Additional disclosures as required by the Reserve Bank of India (Contd..)

(xvii) Provisions and contingencies:-

	Year ended March 31, 2024	Year ended March 31, 2023
Break up of 'Provisions for loan losses and write-offs' shown under the head expenditure in statement of profit and loss		
Provision towards NPA	63.49	545.23
Provision made towards income tax	1,456.31	679.91
Provision for gratuity	70.02	49.38
Provision for compensated absences	13.16	(9.63)
Provision towards standard assets	94.89	(191.45)

(xviii) Concentration of advances, exposures and NPAs:-

	Year ended March 31, 2024	Year ended March 31, 2023
Concentration of Advances		
Total Advances to twenty largest borrowers	7.02	74.71
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	0.01%	0.09%
Concentration of Exposures		
Total Exposure to twenty largest borrowers / customers	59.30	162.77
Percentage of Exposures to twenty largest borrowers/customers to total exposure	0.06%	0.23%
Concentration of NPAs		
Total Exposure to top four NPA accounts	0.64	0.42

(xix) Sector-wise NPAs:-

Sector	Year ended March 31, 2024			Year ended March 31, 2023		
	Gross carrying amount	Gross NPA	% of NPAs to total advance to that sector	Gross carrying amount	Gross NPA	% of NPAs to total advance to that sector
Agriculture	29,209.84	482.38	1.65%	17,781.99	206.55	1.16%
Animal husbandry	29,370.96	783.81	2.67%	27,138.59	657.32	2.42%
Manufacturing (Including MSME)	5,002.19	108.99	2.18%	3,266.11	188.15	5.76%
Services	23,829.86	539.65	2.26%	16,994.81	768.11	4.52%
Trading (Including MSME)	7,943.71	249.17	3.14%	5,963.10	246.11	4.13%
Consumption	605.73	3.31	0.55%	307.64	4.97	1.62%
Education	4.19	3.68	87.84%	110.90	70.33	63.42%
Personal Loan	212.60	36.89	17.35%	259.43	-	-
Corporate Loan	56.46	-	-	164.45	-	-

(xx) Movement of Stage 3 assets:-

	Year ended March 31, 2024	Year ended March 31, 2023
Net stage 3 assets to net advances (%)	0.91%	1.22%
Movement of stage 3 assets (gross)		
Opening balance	2,141.53	2,890.01
Additions during the year	1,730.69	669.12
Reductions during the year	(1,664.33)	(1,417.60)
Closing balance	2,207.89	2,141.53

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

51 Additional disclosures as required by the Reserve Bank of India (Contd..)

	Year ended March 31, 2024	Year ended March 31, 2023
Movement of net stage 3 assets		
Opening balance	858.33	1,302.29
Addition during the year	881.45	-
Reductions during the year	(878.60)	(443.96)
Closing balance	861.18	858.33
Movement of provisions for stage 3 assets		
Opening balance	1,283.19	1,587.72
Addition during the year	849.24	810.47
Reduction/ write off during the year	(785.73)	(1,115.00)
Closing balance	1,346.70	1,283.19

(xxi) Comparison between provisions required under IRACP and impairment allowances made under Ind AS 109 :-

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5=(3-4)	6	7=(4-6)
Performing Assets						
Standard	Stage 1	92,982.68	520.77	92,461.91	3.03	517.74
	Stage 2	1,044.98	11.10	1,033.88	0.06	11.04
Subtotal		94,027.66	531.87	93,495.79	3.09	528.78
Non-Performing Assets (NPA)						
Standard	Stage 3	32.24	13.31	18.93	0.01	13.31
Substandard	Stage 3	1,491.00	817.97	673.04	445.23	372.74
Doubtful - up to 1 year	Stage 3	392.81	378.20	14.61	382.36	(4.16)
1 to 3 years	Stage 3	213.77	98.86	114.91	213.61	(114.75)
More than 3 years	Stage 3	78.06	38.34	39.72	79.84	(41.50)
Subtotal for doubtful		2,207.89	1,346.68	861.21	1,121.04	225.64
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		2,207.89	1,346.68	861.21	1,121.04	225.64
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	92,982.68	520.77	92,461.91	3.03	517.74
	Stage 2	1,044.98	11.10	1,033.88	0.06	11.04
	Stage 3	2,207.89	1,346.68	861.21	1,121.04	225.63
	Total	96,235.55	1,878.55	94,357.00	1,124.13	754.41

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

51 Additional disclosures as required by the Reserve Bank of India (Contd..)

(xxii) Details of resolution plan implemented under the Resolution Framework for COVID-19-related Stress as per RBI circular dated May 5, 2021 (Resolution Framework 2.0) are given below:

	As at March 31, 2024	As at March 31, 2023
a) Number of accounts where resolution plan has been implemented under this window	1,94,824	1,94,824
b) Exposure to accounts mentioned at (a) before implementation of the plan	4,506.81	4,506.81
c) Active number of accounts where the resolution plan is implemented	3,736	77,582
d) Exposure to accounts mentioned at (c) on the reporting date	36.90	1,227.22
e) Increase in provisions on account of the implementation of the resolution plan	0.54	68.77

(xxiii) Instances of fraud:-

	As at March 31, 2024				As at March 31, 2023			
	Less than 1 lakh	1 lakh to 5 lakh	5 lakh to 25 Lakh	More than 25 Lakh	Less than 1 lakh	1 lakh to 5 lakh	5 lakh to 25 Lakh	More than 25 Lakh
Nature of fraud (cash embezzlement)								
A) Persons involved								
Staff								
No. of accounts (Victims)	-	2,462	3,135	-	-	611	2,788	1,639
Amount	-	8.77	12.53	-	-	1.55	5.24	57.19
B) Type of fraud								
Unauthorised credit facility extended	-	-	-	-	-	-	-	-
Misappropriation and criminal breach of trust								
No. of accounts (Victims)	-	2,462	3,135	-	-	611	665	1,639
Amount	-	8.77	12.53	-	-	1.55	2.88	57.19
Cheating and forgery								
No. of accounts (Victims)	-	-	-	-	-	-	2,123	-
Amount	-	-	-	-	-	-	2.36	-

(xxiv) Public disclosure on Liquidity Risk as on March 31, 2024 pursuant to RBI notification RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies:-

(a) Funding concentration based on significant counterparty (both deposits and borrowings)

	As at March 31, 2024	As at March 31, 2023
Number of significant counterparties	24	27
Amount	63,272.94	47,675.94
% of total deposits	-	-
% of total liabilities	75.69%	73.42%

(b) Top 20 large deposits and 10 borrowings

	Outstanding Amount as at March 31, 2024	% of total liabilities
Top 20 large deposits	-	-
Top 10 large borrowings	42,259.19	50.55%

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

51 Additional disclosures as required by the Reserve Bank of India (Contd..)

	Outstanding Amount as at March 31, 2023	% of total liabilities
Top 20 large deposits	-	-
Top 10 large borrowings	32,235.32	49.64%

(c) Funding concentration based on significant instrument/product

	Amount as at March 31, 2024	% of total liabilities
Term Loan	54,835.94	65.60%
Securitisation	14,218.96	17.01%
External Commercial Borrowing	4,914.42	5.88%
Non-convertible debentures	9,624.36	11.51%
Commercial paper	-	0.00%
Total	83,593.69	100.00%

	Amount as at March 31, 2023	% of total liabilities
Term Loan	40,951.86	63.07%
Securitisation	8,230.63	12.68%
External Commercial Borrowing	2,047.76	3.15%
Non-convertible debentures	13,216.67	20.35%
Commercial paper	484.84	0.75%
Total	64,931.76	100.00%

(d) Stock ratios

	March 31, 2024			
	Amount	% of public fund	% of total liabilities*	% of total assets
Commercial paper	-	0.00%	0.00%	0.00%
Non-convertible debentures	9,624.36	11.51%	10.95%	8.30%

	March 31, 2023			
	Amount	% of public fund	% of total liabilities*	% of total assets
Commercial paper	484.84	0.75%	0.70%	0.57%
Non-convertible debentures	13,216.67	20.35%	19.15%	15.50%

*Total liabilities has been computed as sum of all liabilities as per balance sheet.

(e) Institutional set-up for liquidity risk management

The Board has the overall responsibility for management of liquidity risk. The Company has a risk management committee responsible for evaluating the overall risks faced by the Company including liquidity risk. The asset liability management committee is also responsible for ensuring adherence to the risk tolerance and implementing the liquidity risk management strategy.

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

51 Additional disclosures as required by the Reserve Bank of India (Contd..)

(xxv) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman:-

	Year ended March 31, 2024	Year ended March 31, 2023
Complaints received by the Company from customers		
a) Number of complaints pending at the beginning of the year (Nos)	8	3
b) Number of complaint received during the year (Nos)	640	433
c) Number of complaint disposed during the year (Nos)	627	428
d) Number of complaints rejected out of (c) (Nos)	-	-
e) Number of complaints pending at the end of the year (Nos)	21	8
Maintainable complaints received by the Company from Office of Ombudsman	-	-

(xxvi) Top five grounds of complaints received by the NBFC from customers

Grounds of complaints	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
Year ended March 31, 2024					
Mis-selling	-	36	(12%)	3	-
Updation of repayment records	1	112	(35%)	7	-
Insurance claim settlement	5	109	(43%)	2	-
Digital transactions	-	27	200%	-	-
Fraud Conducted by staff	2	229	1662%	8	-
Interest rates	-	-	(100%)	-	-
Updation/dispute on data in Credit Information Report (CIR)	-	4	(20%)	-	-
Excessive charges	-	8	100%	1	-
Recovery practices	-	109	100%	-	-
Fraud conducted by external agencies	-	6	100%	-	-
Total	8	640	48%	21	-
Year ended March 31, 2023					
Mis-selling	-	41	116%	-	-
Updation of repayment records	-	172	-38%	1	-
Insurance claim settlement	3	192	56%	5	-
Digital transactions	-	9	125%	-	-
Fraud Conducted by staff	-	13	100%	2	-
Interest rates	-	1	0%	-	-
Updation/dispute on data in Credit Information Report (CIR)	-	5	100%	-	-
Total	3	433	1.17%	8	-

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

51 Additional disclosures as required by the Reserve Bank of India (Contd..)

(xxvii) Related party disclosure:-

Nature of relationship	Holding Company		Entities in which KMP are able to exercise control or have significant influence		Fellow subsidiary		Common directorship		Key Management Personnel (KMP)		Total	
	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	Year ended March 31, 2024	Year ended March 31, 2023
Cash management charges	55.10	50.16	-	-	-	-	-	-	-	-	55.10	50.16
Commission income	0.04	0.07	3.23	5.05	-	-	-	-	-	-	3.27	5.12
Software support charges	-	-	-	-	12.18	12.15	-	-	-	-	12.18	12.15
Rent expenses	2.18	2.31	-	-	-	-	-	-	12.27	9.15	14.45	11.46
Rental deposits given/(refunded)	-	(0.25)	-	-	-	-	-	-	-	-	-	(0.25)
CSR expenditure	-	-	19.00	6.23	-	-	-	-	-	-	19.00	6.23
Travel expenses	1.06	0.26	-	-	-	-	-	-	-	-	1.06	0.26
Trade mark Fees	-	-	-	-	-	-	-	-	0.10	0.10	0.10	0.10
Sitting fees	-	-	-	-	-	-	-	-	5.64	2.70	5.64	2.70
Remuneration	-	-	-	-	-	-	-	-	84.96	44.18	84.96	44.18
Gold Auction	-	-	3.34	0.91	-	-	-	-	-	-	3.34	0.91
Professional charges	-	-	-	-	-	-	8.99	-	-	-	8.99	-
Marketing Expenses	-	-	-	-	-	-	-	5.00	-	-	-	5.00

(xxviii) Breach of Covenant:-

There was no breach of covenants of loans availed or debt securities issued by the Company during the year ended March 31, 2024.

During preceding year ended March 31, 2023, there was a delay of two days for the interest payment of Rs.64.86 million towards ISIN- INE046W07180. As that payment was made within the curing period, it has not been considered as default as per terms of the respective agreement. Also, there were three cases of non-compliance of key performance indicators as required by the lenders and the company has got the waiver confirmation from them.

(xxix) 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.

(xxx) Overseas assets

The Company did not have any joint ventures and subsidiaries abroad.

(xxxi) Off-balance sheet SPVs sponsored

There are no off-balance sheet SPVs sponsored which are required to be consolidated as per accounting norms as at end of current and previous year.

NOTES TO FINANCIAL STATEMENT

for the year ended March 31, 2024 (All amounts in INR millions, unless stated other wise)

52 Percentage of loans granted against collateral of gold jewellery to total assets

	As at March 31, 2024	As at March 31, 2023
Gold Loans granted against collateral of gold jewellery	57.03	145.54
Total assets of the Company	1,15,902.26	85,291.99
Percentage of Gold Loans to Total Assets	0.05%	0.17%

53 Previous year's figures have been regrouped and reclassified, wherever necessary to conform to current year's presentation / classification.

For Sharp & Tannan Associates

Chartered Accountants

Firm's Registration No.: 109983W

Tirtharaj Khot

Partner

Membership No.: 037457

Place: Pune

Date: 06 May 2024

For and on behalf of the Board of Directors of

Muthoot Microfin Limited

Thomas Muthoot

Managing Director

DIN: 00082099

Place: Kochi

Praveen T

Chief Financial Officer

Place: Kochi

Thomas John Muthoot

Director

DIN: 00011618

Place: Kochi

Neethu Ajay

Chief Compliance Officer &

Company Secretary

Place: Kochi

Thomas George Muthoot

Director

DIN: 00011552

Place: Kochi



A Muthoot Pappachan Group Company

Muthoot Microfin Limited

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