

2023-24 / MML / TAK/ 36

Capitalisation Statement

To,

The Board of Directors

Muthoot Microfin Limited

13th Floor

Parinee Crescenzo

Bandra Kurla Complex

Bandra East, Mumbai 400 051

Maharashtra, India

ICICI Securities Limited

ICICI Venture House

Appasaheb Marathe Marg

Prabhadevi, Mumbai 400 025

Maharashtra, India

Axis Capital Limited

1st Floor, Axis House,

C-2 Wadia International Centre,

PB Marg, Worli,

Mumbai 400 025

Maharashtra, India

JM Financial Limited

7th Floor, Cnergy

Appasaheb Marathe Marg

Prabhadevi

Mumbai 400 025

Maharashtra, India

SBI Capital Markets Limited

1501, 15th Floor, Parinee Crescenzo,

G Block, Bandra Kurla Complex, Bandra (East),

Mumbai- 400051

Maharashtra, India

(Collectively with any other book running lead managers that may be appointed in connection with the Offer, the "**Book Running Lead Managers**")

Re: Proposed initial public offering of equity shares of ₹ 10 each (the "Equity Shares") of Muthoot Microfin Limited (the "Company") and such offer (the "Offer").



Assurance | Consulting | GRC | Tax

Ahmedabad | Bengaluru | Chennai | Coimbatore | Delhi | Goa | Mumbai | Pune | Vadodara

Dear Sir/Madam,

We, Sharp & Tannan Associates, Chartered Accountant, (Firm registration number: 109983W), Statutory Auditor of the Company, have received a request from the Company to verify and certify the information with respect to the capitalization statement, ("the Statement" or "Annexure") as included in the Red Herring Prospectus to be filed by the Company with the Securities and Exchange Board of India ("SEBI"), the BSE Limited and National Stock Exchange of India Limited (together referred to as the "Stock Exchanges") and any other regulatory or statutory authority.

Management's responsibility

The preparation of the statement annexed to this certificate is the responsibility of the management of the Company including the preparation and maintenance of all accounting and other records supporting its contents. This responsibility includes the design, implementation of internal control relevant to the preparation and presentation of the statement and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.

The Company is responsible for preparation of the Restated Financial Statements of the Company, as of and for six months period ended September 30, 2023 and September 30, 2022 and for the fiscals ended March 31, 2023, March 31, 2022 and March 31, 2021, ("Restated Financial Statements") in accordance with the Companies Act, 2013, as amended ("Companies Act") and Indian Accounting Standards prescribed under the Companies Act (Indian Accounting Standards) Rules, 2015 ("Ind AS") and restated in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations").

The Management is also responsible for ensuring compliance with the requirements of the ICDR Regulations.

Auditor's responsibility

We have performed the following procedures:

- a. Traced the amounts for items included in Annexure, compiled by management of the Company, from the Restated Financial Statements for the six months period ended September 30, 2023.
- b. Recomputed the arithmetical accuracy of the total borrowings, total equity and ratios included in Annexure.

We have conducted our examination in accordance with the 'Guidance Note on Audit Reports and Certificates for Special Purposes (Revised 2016)' issued by the Institute of Chartered Accountants of India.

We hereby confirm that while providing this certificate we have complied with the Code of Ethics and the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by the Institute of Chartered Accountants of India.



Opinion

We confirm that the information in this certificate is true and correct and is in accordance with Schedule VI of ICDR Regulations, including Para 11(1)(D) of Part A thereof, Schedule III of the Companies Act, 2013, and there is no untrue statement or omission, which would render the contents of this certificate misleading in any material aspect. We confirm that the information in this certificate is adequate to enable investors to make a well-informed decision, to the extent that such information with respect to us is relevant to the prospective investor to make a well-informed decision.

Restriction on use

This certificate is for information and for inclusion (in part or full) in the, the red herring prospectus ("RHP") and the prospectus ("Prospectus") filed in relation to the Offer (collectively, the "Offer Documents") or any other Offer-related material, and may be relied upon by the Company, the Book Running Lead Managers and the legal advisors appointed by the Company and the Book Running Lead Managers in relation to the Offer. We hereby consent to the submission of this certificate as may be necessary to SEBI, the Registrar of Companies, Maharashtra at Mumbai ("RoC"), the relevant stock exchanges, any other regulatory authority and/or for the records to be maintained by the Book Running Lead Managers and in accordance with applicable law. We hereby consent to this certificate being disclosed by the Book Running Lead Managers, if required (i) by reason of any law, regulation, or order of a court or by any governmental or competent regulatory authority, or (ii) in seeking to establish a defence in connection with, or to avoid, any actual, potential, or threatened legal, arbitral or regulatory proceeding or investigation.

We undertake to inform the Book Running Lead Managers promptly, in writing of any changes, intimated to us by the management of the Company in writing, to the above information until the Equity Shares commence trading on the relevant stock exchanges, pursuant to the Offer. In the absence of any such communication from us, the above information should be considered as updated information until the Equity Shares commence trading on the stock exchanges, pursuant to the Offer.

We also consent to the inclusion of this certificate as a part of "Material Contracts and Documents for Inspection" in connection with this Offer, which will be available for public for inspection.

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the Offer Documents.

Yours faithfully,

For **Sharp & Tannan Associates,**
Chartered Accountants
Firm registration no: 109983W



A handwritten signature in blue ink, appearing to read "Tirtharaj Khot".

Tirtharaj Khot
Partner

Membership no.: (F) 037457
Mumbai, December 11, 2023
UDIN: 23037457BGYRO7837

Handwritten initials "RAS" in blue ink, enclosed in a small circle.

Encl: As above

Cc:

Cyril Amarchand Mangaldas

3rd Floor, Prestige Falcon Tower
19, Brunton Road, Off M.G. Road
Bengaluru 560 025
Karnataka, India

Sidley Austin LLP

Level 31, Six Battery Road
Singapore 049909

AZB & Partners

AZB House, Peninsula Corporate Park
Ganpatrao Kadam Marg, Lower Parel
Mumbai 400 013
Maharashtra, India

AZB & Partners

7th Floor, Embassy Icon
Infantry Road, Vasanth Nagar
Bengaluru, 560 001
Karnataka, India



Annexure

CAPITALISATION STATEMENT

(₹ in million, except ratios)

Particulars	Pre-Offer as at September 30, 2023	As adjusted for the proposed Offer ⁽²⁾
Total Borrowings (Refer note 3)		
Current borrowings# (A)	46,139.32	-
Non-current borrowings (including current maturities of long-term borrowings) # (B)	31,321.78	-
Total Borrowings (C = A+B)	77,461.10	-
Total Equity (Refer Note 5)		
Share capital (Refer note 4) (D)	1,401.98	-
Other Equity# (E)	17,018.97	-
Total Equity (F = D+E)	18,420.95	-
Total Capitalisation (G = C+F)	95,882.05	
Ratio: Total Non-Current Borrowings (including current maturities of long-term borrowings)/ Total Equity (B)/(F)	1.70	-
Ratio: Total Borrowings/ Total Equity (C)/ (F)	4.21	-

Notes:

- The above has been derived from the Restated Financial Statements.
- The corresponding post Offer capitalization data for each of the amounts given in the above table is not determinable at this stage pending the completion of the book building process and hence have not been furnished. To be updated upon finalization of the Offer Price.
- Both Current and Non-Current Borrowings include Debt Securities and Borrowings (other than debt securities). The figures for current and non-current borrowings reported above are obtained from maturity analysis (refer Note no. 40 of Restated Financial Statements).
- Share capital includes Compulsorily Convertible Preference Shares.
- Pursuant to resolutions, each dated November 25, 2023, passed by the Company's Board and Shareholders, 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.

* These terms carry the same meaning as per Schedule III of the Companies Act.

