

**Certificate on non-payment of statutory dues and contingent liabilities**

11-12-2023

To,

The Board of Directors  
**Muthoot Microfin Limited**  
13<sup>th</sup> Floor  
Parinee Crescenzo  
Bandra Kurla Complex  
Bandra East, Mumbai 400 051  
Maharashtra, India  
(the "Company")

**ICICI Securities Limited**  
ICICI Venture House  
Appasaheb Marathe Marg  
Prabhadevi, Mumbai 400 025  
Maharashtra, India

**Axis Capital Limited**  
1<sup>st</sup> Floor, Axis House,  
C-2 Wadia International Centre,  
PB Marg, Worli,  
Mumbai 400 025  
Maharashtra, India

**JM Financial Limited**  
7<sup>th</sup> Floor, Cnergy  
Appasaheb Marathe Marg  
Prabhadevi  
Mumbai 400 025  
Maharashtra, India

**SBI Capital Markets Limited**  
1501, 15<sup>th</sup> 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 ₹10each (the "Equity Shares") by the Company and such offering, the "Offer".**

Dear Ladies and Gentlemen,

We, Rangamani & Co, Chartered Accountants, (Firm Registration Number: 003050S) Independent Chartered Accountant of the Company, have reviewed the restated financial statements of the Company, as of and for the



six months period ended September 30, 2023 and September 30, 2022 and the years ended March 31, 2023, March 31, 2022, and March 31, 2021 (“**Financials Period**”), prepared in accordance with the Companies Act, 2013, as amended (the “**Companies Act**”) and Indian Accounting Standards prescribed under the Companies Act (Indian Accounting Standards) Rules, 2015 and restated in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**ICDR Regulations**”) and the reports issued thereon, including the CARO Reports (the “**Restated Financial Statements**”) and its related ledgers, groupings and trial balances.

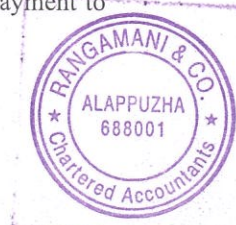
We have also reviewed the following documents/information: (a) list of laws which are required to be covered in this certificate for checking non-payments or default in the payment of undisputed statutory dues, duly certified by the management of the Company; (b) details of statutory liabilities booked by the Company for the Financials Period along with their due date and actual date of payment, duly certified by the management of the Company; (c) Form 3CA and Form 3CD of the Income Tax Act, 1961 for the assessment years 2023-24, 2022-23 and 2021-22; (d) representation from the management of the Company with respect to no other loans/deposits having been obtained by the Company during the Financials Period; (e) other records and registers of the Company, as considered necessary; and (f) written management representations from the Company.

Accordingly, based on the: (a) enquiries with and explanations from the management of the Company; (b) cross verification of the statutory dues booked by the Company, during the Financials Period with the Restated Financial Statements and relevant ledger accounts; (c) verification of the date of payment of statutory dues accounted by the Company, for the Financials Period, with payment challans; (d) reading of the audit reports, Form 3CA and Form 3CD for the Financials Period; (e) review of the Restated Financial Statements and its related groupings and trial balances for the Financials Period for identification of undisputed statutory dues, loans obtained or deposits taken, if any; (f) review of the books of accounts, agreements, invoices, terms of engagement, statutory records maintained by the Company, minutes of the meetings of the board of directors of the Company, minutes of annual general meeting and extra-ordinary general meetings of the Company, relevant statutory registers and other relevant documents presented to us by the Company, and (g) the representations made by the management of the Company, we hereby certify and confirm that until the date of this certificate:

- (i) There have been no instances of non-payment or defaults in the payment of statutory dues by the Company.
- (ii) There are no disputed dues including delayed payment of statutory dues by the Company. While, in the past, the Company had not paid statutory dues amounting to ₹0.11 million for the Financial Year 2017-2018 to Financial Year 2022-2023 as required under the Employees Provident Fund Act, 1952, owing to mismatch / non-availability of Aadhaar numbers, in order to comply with the order of the Regional Provident Fund Commissioner-II, Kochi, dated November 24, 2021, the Company has paid statutory dues amounting to ₹0.09 million for the Financial Year 2013-14, on November 25, 2021.
- (iii) There have been no instances of non-payments or defaults or over-dues in repayment of loans (principal or interest) availed from banks or other financial institutions by the Company, except as disclosed below:

There have been instances of delay in the repayment of principal and interest by the Company and it has breached certain financial covenants of its borrowings from banks and financial institutions including gross loan portfolio at risk, capital adequacy ratio, ratio of financial indebtedness to adjusted tangible net worth, details of which are provided in **Annexure A**. However, the Company was not subjected to any penalties in such cases and has repaid all such dues as on the date of the RHP, and has received waivers as detailed in **Annexure A**.

- (iv) There have been no defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders by the Company, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies), except:
  - Muthoot Fincorp Limited has delayed the payment of interest on its rated non-convertible debentures (NCD) by three working days. The delay was one off event due to an inadvertent operational error. The interest payment of ₹4.8 lakhs was due on August 2, 2018, but payment to investors was made on August 7, 2018.



In the past, we have availed moratorium from certain of our lenders under the permitted framework by RBI for a period of six months (on payment of all instalments falling due between March 1, 2020 and August 31, 2020) on account of COVID-19, as provided in its circular bearing reference number DOR.No.BP.BC.47/21.04.048/2019-20. Our Company had applied and obtained moratorium from various lenders as listed out below:

No of Institutions offered Moratorium	Amount of Outstanding (₹ in Mn)	Amount of Benefit offered (₹ in Mn)
11	4,645.05	844.60

Sr. No.	Name of Institution offered Moratorium	Amount of benefit offered		Amount outstanding as on September 30, 2023 (₹ in million)
		Principal	Interest	
1.	Bank of India	41,400,000	1,773,039	Nil
2.	IDFC First Bank Limited	71,428,570	2,758,122	Nil
3.	Bandhan Bank Limited	228,571,429	8,266,145	Nil
4.	DCB Bank Limited	47,793,940	-	Nil
5.	Abu Dhabi Commercial Bank	13,333,334	-	Nil
6.	Equitas Small Finance Bank Limited	22,250,351	899,744	Nil
7.	Lakshmi Vilas Bank Limited	83,333,334	13,410,216	Nil
8.	SBM Bank (India) Limited	-	313,699	Nil
9.	Standard Chartered Bank	125,000,000	-	Nil
10.	ICICI Bank Limited	90,909,089	12,449,252	Nil
11.	Andhra Bank Limited	75,757,576	4,957,098	Nil

(v) There is no instance of acceleration of payment of debentures and interest thereon availed from banks or other financial institutions by the Company. There have been no instances of penalty(ies) imposed in relation to borrowings availed from banks, or other financial institutions, by the Company.

(vi) There have been no instances of conversion of loans availed by the Company into equity.

(vii) Except as disclosed below, there are no contingent liabilities as per the Restated Financial Statements:

Credit enhancements provided by the Company towards securitisation transactions aggregate to INR 5,196.22 millions ( September 30, 2022 : 2,607.08 millions, March 31, 2023: INR 3,381.96 millions, March 31, 2022 : INR 2,025.34 million, March 31, 2021: INR 932.71 million).

(viii) No outstanding litigation or default relating to matters likely to affect the operations and finances of the Company, including the disputed tax liabilities and prosecution under any enactment in respect of Schedule V to the Companies Act, 2013, as amended.

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.



We confirm that the information in this certificate is true and correct, and is in accordance with the requirements of the Companies Act, ICDR Regulations and other applicable law, and there is no untrue statement or omission which would render the contents of this certificate misleading in any material aspect.

This certificate is for information and for inclusion (in part or full) in 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 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.

We confirm that we will immediately communicate any changes in writing in the above information to the Book Running Lead Managers until the date when the Equity Shares commence trading on the relevant stock exchanges. In the absence of any such communication from us, the Book Running Lead Managers and the legal advisors, each to the Company and the Book Running Lead Managers, can assume that there is no change to the above information until the Equity Shares commence trading on the relevant stock exchanges pursuant to the Offer.

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 and on behalf of Rangamani & Co, Chartered Accountants

Partner  
R.Sreenivasan  
Membership No.:020566  
ICAI Firm Registration No: 003050S  
UDIN: 23020566BGSM BV7558  
Date: 11-12-2023

For **RANGAMANI & Co.**  
Chartered Accountants  
FRN: 003050 S  
*R. Sreenivasan*  
**R. SREENIVASAN**  
Partner  
M. No:020566



Cc:

**Cyril Amarchand Mangaldas**  
3<sup>rd</sup> Floor, Prestige Falcon Tower  
19, Brunton Road, Off M.G. Road  
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**AZB & Partners**  
 AZB House, Peninsula Corporate Park  
 Ganpatrao Kadam Marg, Lower Parel  
 Mumbai 400 013  
 Maharashtra, India

**AZB & Partners**  
 7<sup>th</sup> Floor, Embassy Icon  
 Infantry Road, Vasanth Nagar  
 Bengaluru, 560 001  
 Karnataka, India

**Annexure A**

Sr. No.	Lender	Nature of Default	Extent of Default (in ₹)	Status of Default
1.	Blue Orchard Finance Limited	Delay in interest payment of ₹64.9 million due on December 5, 2022, which was paid on December 7, 2022, due to an inadvertent operational error	64.90 million	As the payment was made within curing period, it is not considered as default as per the agreement.
2.	ICICI Bank Limited	Shortfall of ₹1.25 million on account of incorrect repayment schedule shared by a lender	1.25 million	Regularised
3.	Punjab National Bank	Shortfall of ₹20 paise in repayment to the lender	20 paise	Regularised
4.	Karur Vysya Bank Limited	Shortfall of ₹62 paise in repayment to the lender	62 paise	Regularised
5.	Equitas Small Finance Bank Limited	One day delay in principal repayment of ₹20.6 million to a lender	20.6 million	Regularised
6.	IndusInd Bank Limited	Shortfall of ₹0.05 million in repayment of interest to a lender on account of revision in interest rate	0.05 million	Regularised
7.	Credit Saison Co., Ltd. (Kisetsu Saison Finance)	Default due to maximum permissible ratio of PAR>90 days (including managed portfolio), inclusive of write offs for trailing 12 months, to outstanding principal value of total asset under management to not exceed	-	Waiver obtained. The loan is closed as on September 30, 2023



**RANGAMANI & CO.,**

Continuation Sheet No.

**CHARTERED ACCOUNTANTS**

No.	Entity	Nature of Default	Extent of Default (in ₹)	Status of Default
	(India) Private Limited)	10% till December 2021, 5% till December 2022 and 3% from April 1, 2022		
8.	Manaveeya Development and Finance Private Limited	The gross loan portfolio at risk (PAR)> 30 days (AUM, including rescheduled loans )<13.00% up to June 30, 2021, <10% up to December 31, 2021 and <thereafter <5% from January 1,2022.	-	Waiver obtained
9.	Northern Arc Capital Limited	Maximum permissible ratio of sum of the PAR > 90 and write-offs (on the borrower's entire portfolio including receivables sold or discounted on a non-recourse basis) to gross loan portfolio shall be 12.00% till September 30, 2021 and 9.00% till March 31, 2022 and 5.00% from April 01, 2022 onwards, write-offs would be calculated for trailing twelve months as well as Maximum permissible ratio of Par > 90 net off Loan Loss Provisions (on the Borrower's entire portfolio including receivables sold or discounted on a non-recourse basis) to Tangible Net worth shall be 25.00% till September 30, 2021 and 20.00% from October 01, 2021 onwards.	-	Waiver obtained. The loan is closed as on September 30, 2023
10.	Bank of Bahrain and Kuwait	Net NPA (%) shall not be more than one	-	Regularised

