

2023-24 / MML / TAK / 44

Certificate on Financial Indebtedness

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").



Dear Sir / Madam,

We, Sharp & Tannan Associates, Chartered Accountants, (Firm registration number: 109983W), Statutory Auditor of the Company, have received a request from the Company to certify information in relation to financial indebtedness of the Company.

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 the 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 examined and reviewed, the Restated financial statements of the Company prepared in accordance with the Companies Act, Ind AS and the and ICDR Regulations and have issued examination report thereon. We have examined and verified (i) documents pertaining to the financial indebtedness of the Company, including, *inter alia*, sanction letters issued by the banks/ financial institutions, loan agreements, deeds of hypothecation, bank statements, and the relevant ledger accounts as prepared and provided by the management of the Company, (ii) balance confirmations received from the banks and financial institutions; and (iii) other relevant records (iv)representations and documents produced before us. We have also referred and relied upon the audited financial statements of the Company for Fiscal year ended March 31, 2020 audited by predecessor auditor.

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

On the basis of above-mentioned verification and according to information and explanations given to us, we confirm the following:

1. The summary of the borrowings sanctioned to the Company and outstanding as of October 31, 2023 is stated in Annexure A.
2. The principal terms of the loans and assets charged as security by the Company are stated in Annexure B.
3. The Company has not provided any guarantees for the repayment of any loans availed by other entities.

Further, the Company has not defaulted, at any point of time, in the repayment of any instalment or interest due on any of the loans outstanding as on date or rescheduled any of these loans for the period from April 01, 2020 till the date of filing the Red Herring Prospectus, except as disclosed below. However there have been few instances of breach of covenants, delayed payments as mentioned below: -

1. The Company has, in the past defaulted in the repayment of principal and interest and 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 below table, and the Company has received waivers in relation to breaches of financial covenants: -

Financial Institutions	Covenant breach/Default/Delayed payment	Compliance
Kisetsu Saison Finance (India) Private Limited (Credit Saison India)	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 10% till December 2021, 5% till December 2022 and 3% from April 01, 2022	Waiver obtained. The loan is closed as on September 30, 2023
Maanaveeya Development & Finance Pvt. Ltd (OIKO Credit)	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 01,2022.	Waiver obtained
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	Waiver obtained. The loan is closed as on September 30, 2023



Financial Institutions	Covenant breach/Default/Delayed payment	Compliance
	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.	
Bank of Bahrain and Kuwait	Net NPA (%) shall not be more than one	Regularised
ISIN- INEO46W07180- Blue Orchard Microfinance Fund	Delay in interest payment of 64.9 million due on December 05, 2022, which was paid on December 07, 2022, due to an inadvertent operational error	As the payment was made within the curing period, it is not considered as default as per the agreement.
ICICI Bank	Shortfall of 1.25 million on account of incorrect repayment schedule shared by a lender	Regularised
Punjab National Bank	Shortfall of 20 paise in repayment to the lender	Regularised
Karur Vyasa Bank	Shortfall of 62 paise in repayment to the lender	Regularised

2. Further, we confirm that except as disclosed below for a period of six months on payment of all instalments falling due between March 01, 2020 and August 31, 2020 based on the provision as per RBI Circular No. BP.BC.47/21.04.048/2019-20 dt. March 27, 2020 and BP.BC.71/21.04.048/2019-20 dt May 23, 2020, no rescheduling/restructuring have occurred in relation to any borrowings availed by the Company from any financial institutions or banks.

(₹ In million)

No of Institutions which offered Moratorium	Amount outstanding as on March 31, 2020	Amount of benefit offered
11	4,645.05	844.60

(Amount in ₹)

Sr. No.	Name of Institution offered Moratorium	Amount of benefit offered March 31, 2020		Amount outstanding as on September 30, 2023
		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

Sr. No.	Name of Institution offered Moratorium	Amount of benefit offered March 31, 2020		Amount outstanding as on September 30, 2023
		Principal	Interest	
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

3. We also confirm that, based on the procedures conducted above, no default statement obtained from management and on the basis of information and explanations received from the management and written representation obtained as on the date of this certificate, none of the banks or institutions from whom the Company have availed of debt facilities, have accelerated payment of the facility in full or in part on account of default in the repayment in any instalment or interest due or for violation of any other terms of any of the outstanding loans/ debt facilities granted to the Company.

We confirm that the information in this certificate is true and correct and is in accordance with Schedule VI of the ICDR Regulations, including Paras (5)(G)(10), (5)(G)(12) and 10(D)(1)(b)(vi) of Part A thereof and there is no untrue statement or omission, which would render the contents of this certificate misleading in any material aspect. 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 (including the annexures) is for information and for inclusion (in part or full) in the red, 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



Tirtharaj Khot
Partner

Membership no.: (F) 037457
Mumbai, December 11, 2023
UDIN: 23037457BGYRPG8850



Enc: 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
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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 A

The summary of the borrowings sanctioned to the Company, and outstanding, as of October 31, 2023

(₹ In million)

Category of borrowing	Sanctioned amount*	Outstanding amount
Fund Based facilities		
Secured		
Term Loans – Banks	58,285.00	33,020.62
Term Loans – Financial Institutions	32,165.00	17,205.27
Securitisation arrangements	24,894.56	13,300.49
ECBs	2,875.80	2,869.66
NCDs	15,532.00	13,365.91
Unsecured		
Commercial Paper	-	-
Term Loans – Financial Institutions	1,000.00	880.77
Total	1,34,752.36	80,642.72

*Sanctioned amounts have been verified with the sanction letters for borrowings.

As on the date of this Red Herring Prospectus, our Company has availed term loans from the following lenders:

Sr. No.	Name of the lender	Date of sanction letter
1.	State Bank of India	November 04, 2020
2.	Canara Bank Limited	September 14, 2021
3.	Bank of Baroda	September 23, 2021
4.	Indian Overseas Bank	March 21, 2022
5.	State Bank of India	August 29, 2022
6.	Union Bank of India	September 28, 2022
7.	Bank of Baroda	September 29, 2022
8.	UCO Bank	October 31, 2022
9.	Punjab and Sind Bank	March 09, 2023
10.	State Bank of India	August 30, 2023
11.	UCO Bank	October 20, 2023
12.	Karnataka Bank Limited	January 22, 2021
13.	Industrial Development Bank of India (IDBI)	August 09, 2021
14.	Axis Bank Limited	November 30, 2021
15.	Bandhan Bank Limited	December 01, 2022
16.	DCB Bank Limited	December 24, 2021
17.	Karnataka Bank Limited	December 28, 2021
18.	Kotak Mahindra Bank Limited	March 02, 2022

Sr. No.	Name of the lender	Date of sanction letter
19.	Industrial Development Bank of India (IDBI)	March 30, 2022
20.	Axis Bank Limited	May 11, 2022
21.	Karur Vysya Bank Limited	July 06, 2022
22.	Industrial Credit and Investment Corporation of India Bank (ICICI)	August 17, 2022
23.	Kotak Mahindra Bank Limited	October 10, 2022
24.	Bandhan Bank Limited	December 01, 2022
25.	DCB Bank Limited	December 15, 2022
26.	Federal Bank Limited	December 26, 2022
27.	Axis Bank Limited	January 09, 2023
28.	Industrial Credit and Investment Corporation of India Bank (ICICI)	March 17, 2023
29.	IDFC First Bank Limited	March 03, 2023
30.	HDFC Bank	March 27, 2023
31.	Karur Vysya Bank Limited	April 11, 2023
32.	Industrial Development Bank of India (IDBI)	July 27, 2023
33.	DCB Bank Limited	August 28, 2023
34.	State Bank of Mauritius	September 13, 2023
35.	Axis Bank Limited	October 23, 2023
36.	Bank of Bahrain and Kuwait	January 27, 2021
37.	Standard Chartered Bank	September 30, 2021
38.	Woori Bank	November 29, 2021
39.	Bank of Bahrain and Kuwait	July 01, 2022
40.	HSBC Limited	July 19, 2022
41.	Development Bank of Singapore Limited (DBS)	August 22, 2022
42.	Industrial and Commercial Bank of China Limited (ICBC)	August 19, 2022
43.	KB Kookmin Bank	November 17, 2022
44.	Woori Bank	December 30, 2022
45.	Standard Chartered Bank	February 06, 2023
46.	Standard Chartered Bank	February 06, 2023
47.	Standard Chartered Bank	May 30, 2023
48.	Bank of Bahrain and Kuwait	July 20, 2023
49.	HSBC Limited	July 14, 2023
50.	Development Bank of Singapore Limited (DBS)	July 27, 2023
51.	Standard Chartered Bank	August 29, 2023
52.	HSBC Limited	September 08, 2023
53.	Jana Small Finance Bank Limited	July 27, 2021
54.	Equitas Small Finance Bank Limited	December 28, 2021

Sr. No.	Name of the lender	Date of sanction letter
55.	Utkarsh Small Finance Bank Limited	June 03, 2022
56.	Suryoday Small Finance Bank Limited	August 30, 2022
57.	Jana Small Finance Bank Limited	November 16, 2022
58.	Jana Small Finance Bank Limited	August 18, 2023
59.	NABARD	September 10, 2018
60.	NABARD	March 11, 2019
61.	NABARD	August 29, 2019
62.	NABKISAN Finance Limited	January 30, 2021
63.	Maanaveeya Development & Finance Private Limited (Oikocredit)	February 26, 2021
64.	MAS Financial Services Ltd. (MAS)	January 07, 2021
65.	Nabsamruddhi Finance Limited	December 17, 2021
66.	Small Industries Development Bank of India (SIDBI)	January 17, 2022
67.	NABKISAN Finance Limited	February 18, 2022
68.	MUDRA Bank	February 14, 2022
69.	NABARD	March 25, 2022
70.	Piramal Capital & Housing Finance Limited	March 30, 2022
71.	Tata Capital Financial Services Limited	May 17, 2022
72.	Sundaram Finance Limited	July 08, 2022
73.	Hinduja Leyland Finance Limited (HLF)	September 28, 2022
74.	MAS Financial Services Ltd. (MAS)	September 28, 2022
75.	Mahindra & Mahindra Financial Services Limited	September 22, 2022
76.	Credit Saison Co., Ltd. (Kisetsu Saison Finance (India) Pvt Ltd)	September 27, 2022
77.	NABKISAN Finance Limited	November 18, 2022
78.	Piramal Capital & Housing Finance Limited	December 22, 2022
79.	MAS Financial Services Ltd. (MAS)	December 27, 2022
80.	Aditya Birla Finance Limited	December 29, 2022
81.	NABARD	February 14, 2023
82.	Hinduja Leyland Finance Limited (HLF)	September 28, 2022
83.	JM Financial Products Limited	March 09, 2023
84.	Hero Fincorp Limited	May 29, 2023
85.	Northern Arc Capital Limited	July 25, 2023
86.	Nabsamruddhi Finance Limited	July 26, 2023
87.	Sundaram Finance Limited	August 03, 2023
88.	Credit Saison Co., Ltd. (Kisetsu Saison Finance (India) Private Limited)	August 21, 2023
89.	Hinduja Leyland Finance Limited (HLF)	September 21, 2023
90.	Tata Capital Financial Services Limited	September 23, 2023

Sr. No.	Name of the lender	Date of sanction letter
91.	Small Industries Development Bank of India (SIDBI)	September 25, 2023
92.	Karnataka Bank Limited	November 9, 2023
93.	Federal Bank Limited	November 21, 2023

i. Secured Facilities

a. Term Loans – Banks

(₹ In million)

Particulars	Six months ended		Financial Year ended		
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Opening Balance	29,200.06	16,481.93	16,481.93	11,848.61	16,909.84
Closing Balance	31,734.75	23,408.32	29,200.07	16,481.93	11,848.61
New Loans	10,695.00	10,900.00	25,300.00	14,507.50	5,275.00
Loans repaid	8,160.31	3,973.61	12,581.86	9,874.18	10,336.23

b. Term Loans – Financial Institutions

(₹ In million)

Particulars	Six months ended		Financial Year ended		
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Opening Balance	11,678.52	11,687.60	11,687.60	8,196.15	9,909.46
Closing Balance	15,176.72	10,244.38	11,678.52	11,687.60	8,196.14
New Loans	7,235.00	3,390.00	9,040.00	8,930.00	2,950.00
Loans repaid	3,736.80	4,833.22	9,049.08	5,438.55	4,663.32

c. Securitisation arrangements

(₹ In million)

Particulars	Six months ended		Financial Year ended		
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Opening Balance	8,230.63	4,121.09	4,121.09	4,458.92	-
Closing Balance	12,405.75	7,378.87	8,230.63	4,121.09	4,458.92
New Loans	10,243.30	6,613.58	13,092.63	4,857.22	4,835.70
Loans repaid	6,068.18	3,355.80	8,983.09	5,195.05	376.78

d. ECBs

(₹ In million)

Particulars	Six months ended		Financial Year ended		
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Opening Balance	2,047.76	-	-	-	-
Closing Balance	2,869.42	-	2,047.76	-	-
New Loans	821.00	-	2,054.80	-	-
Loans repaid	(0.66) *	-	7.04	-	-

* Amount includes Ind AS impact

e. NCDs

(₹ In million)

Particulars	Six months ended		Financial Year ended		
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Opening Balance	13,216.67	6,249.44	6,249.44	4,234.19	2,144.91
Closing Balance	14,356.23	10,958.64	13,216.67	6,249.44	4,234.19
New Loans	3,000.00	5,147.64	8,132.00	4,054.00	2,100.00
Loans repaid	1,860.44	438.44	1,164.77	2,038.75	10.72

ii. Unsecured Facilities**a. Commercial Paper**

(₹ In million)

Particulars	Six months ended		Financial Year ended		
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Opening Balance	484.84	496.83	496.83	290.50	-
Closing Balance	-	-	484.84	496.83	290.50
New Loans	-	481.74	959.27	965.44	290.50
Loans repaid	484.84	978.57	971.26	759.11	-

b. Term loans – Financial Institutions

(₹ In million)

Particulars	Six months ended		Financial Year ended		
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Opening Balance	73.27	929.20	929.20	1,128.21	249.28
Closing Balance	918.23	316.94	73.27	929.20	1,128.22
New Loans	1,000.00	-	-	400.00	1,000.00
Loans repaid	155.04	612.26	855.93	598.99	121.06

As on the date of this Red Herring Prospectus, our Company has received consent from the following lenders:

Sr. No.	Name of the Lenders
Term Loan	
1.	State Bank of India
2.	Karnataka Bank Limited
3.	Canara Bank
4.	Bank of Baroda
5.	Indian Overseas Bank
6.	Union Bank of India
7.	UCO Bank
8.	Kotak Mahindra Bank Limited
9.	Industrial Development Bank of India (IDBI)
10.	Axis Bank Limited
11.	Bandhan Bank Limited
12.	DCB Bank Limited
13.	Karur Vysya Bank Limited
14.	Industrial Credit and Investment Corporation of India Bank (ICICI)
15.	Federal Bank Limited
16.	HDFC Bank Limited
17.	SBM Bank India
18.	Bank of Bahrain and Kuwait/BBK
19.	Woori Bank
20.	Standard Chartered Bank
21.	HSBC Limited
22.	Development Bank of Singapore Limited (DBS)

Sr. No.	Name of the Lenders
23.	Industrial and Commercial Bank of China Limited (ICBC)
24.	KB Kookmin Bank
25.	Equitas Small Finance Bank Limited
26.	Jana Small Finance Bank Limited
27.	Suryoday Small Finance Bank Limited
28.	Utkarsh Small Finance Bank Limited
29.	NABARD
30.	Small Industries Development Bank of India (SIDBI)
31.	NABKISAN Finance Limited
32.	Maanaveeya Development & Finance Private Limited (Oikocredit)
33.	NABFINS Limited
34.	Northern Arc Capital Limited
35.	Capri Global Capital Limited
36.	Credit Saison Co., Ltd. (Kisetsu Saison Finance (India) Private Limited)
37.	MAS Financial Services Ltd. (MAS)
38.	Nabsamruddhi Finance Limited
39.	MUDRA Bank
40.	Piramal Capital & Housing Finance Limited/Piramal Enterprises Limited
41.	Tata Capital Financial Services Limited
42.	Sundaram Finance Limited
43.	Hinduja Leyland Finance Limited (HLF)
44.	Mahindra & Mahindra Financial Services Limited
45.	Aditya Birla Finance Limited
46.	Hero Fincorp Limited
47.	J M Financial Products Limited
48.	Punjab and Sind Bank
49.	IDFC First Bank Limited
DA	
50.	Catalyst Trusteeship Limited
51.	Beacon Trusteeship Services Limited
52.	Bank of Baroda
53.	IDFC First Bank Limited
54.	Axis Bank Limited
55.	Piramal Enterprises Limited
56.	Bank of Maharashtra
PTC	
57.	Catalyst Trusteeship limited
58.	IDBI Trusteeship Services Limited

NCD	
55.	Catalyst Trusteeship Limited
56.	Vardhman Trusteeship Private Limited
56.	A.K Capital Services Ltd.
MLD	
58.	Vardhman Trusteeship Private Limited
59.	Yubi Securities
ECB	
60.	ResponsAbility SICAV (Lux)
61.	Blue Orchard Finance Limited



ANNEXURE B

Principal terms of our outstanding borrowings ("Borrowings") availed by our Company:

1. **Tenor:** The tenor of the term loans availed by us typically ranges from 12 months to 66 months.

The maturity period of the NCDs and MLDs issued by us typically ranges from 36 months to 60 months and 18 months to 27 months, respectively. Further, the ECBs issued by us are typically valid upto 60 months and the maturity period of the securitisation arrangements entered into by us ranges from 16 months to 22 months.

2. **Interest:** In terms of the loans availed by us, the interest rate is typically the base rate/ MCLR of a specified lender and spread per annum, subject to a minimum interest rate. The spread varies among different loans.

Our Company has also issued NCDs and MLDs to various subscribers, for which our Company has into debenture trust deeds and in terms of these facilities, a specified interest or coupon rate is to be paid per annum. The coupon rate for such facilities issued by our Company typically ranges from 9.90% per annum to 11.55% per annum. The interest rate for the term loans availed by our Company ranges from 5.15% per annum to 12.00% per annum. The securitisation arrangements entered into by us prescribe interest rates ranging from 9.15% per annum to 9.75% per annum.

Further, for certain borrowings availed by our Company, additional interest rates have been stipulated on the occurrence of certain events of default including, but not limited to, payment related default and breach of terms and conditions.

3. **Security:** Our secured borrowings are typically secured by way of:
 - a) Exclusive and continuing charge by way of hypothecation or assignment on the specific book debts arising out of the loans extended, including present and future book debts/ loan assets;
 - b) First and exclusive charge on the standard receivables along with the prescribed security cover;
 - c) Asset cover for the loan by way of charge over the loan assets/ book debts at a minimum prescribed limit;
 - d) Undated security cheques;
 - e) Lien on term deposits;
 - f) Guarantee under Credit Guarantee Scheme for MFIs and guarantee of National Credit Guarantee Trustee;
 - g) Cash margin in the form of fixed deposits kept under lien with the lender;
 - h) Cash collaterals and security cover; and
 - i) Demand promissory notes and letters of continuity for specified amounts in the form approved by the relevant lender.



4. **Repayment:** While certain term loans are repayable on demand, the repayment period for our term loans typically ranges from 12 months to 66 months. Further, in terms of the NCDs, MLDs and ECBs, the redemption period typically ranges from 18 months to 60 months. With respect to certain of our NCDs, trustees have the right to call for early redemption of the debentures by exercising the put option 36 months after the deemed date of allotment, on behalf of the debenture holders.
5. **Prepayment:** The term loans availed and NCDs, MLDs and ECBs issued by our Company typically have prepayment and early redemption provisions respectively, which allow for prepayment or early redemption respectively, with prior notice on payment of certain penalties. While few of our term loans can be repaid only on the lender's discretion, the prepayment penalty typically ranges from 1.00% to 5.00% of the amount being prepaid with respect to the term loans and 2.00% to 5.00% with respect to NCDs, MLDs and ECBs.
6. **Penalty:** The facilities issued and availed by our Company contain provisions prescribing penalties, over and above the prescribed interest rate, for delayed payment or default in the repayment obligations of our Company, which typically range from 1.00% to 5.00% of the amounts involved with respect to term loans, 2.00% to 5.00% with respect to NCDs, MLDs and ECBs. The penalty interest for the PTC facilities availed by us typically ranges from 2.00% to 15.00%.
7. **Restrictive covenants:** The loans availed by our Company typically, contain certain key covenants, which require prior approval of, or intimation to, the lenders and other relevant parties for certain specified events on corporate actions, including *inter-alia*:
 - a) Change in capital structure or shareholding pattern or members or ownership of our Company;
 - b) Change in the management control of our Company;
 - c) Creation of further charge or any other encumbrance on the security provided for our borrowings;
 - d) Change or expansion in business activities;
 - e) Amendment or modification of constitutional documents of our Company;
 - f) Change in accounting policies (unless expressly required by law);
 - g) Invest in any funds by way of deposits, or loans or in share capital of any other concerns;
 - h) Obtaining any facility from a related party;
 - i) Withdraw or allow being withdrawn any monies brought in by the promoters and directors or relatives of such promoters or directors;
 - j) Formulation of scheme of merger, demerger, amalgamation, acquisition, reorganisation, or reconstruction or implementing a new scheme of expansion;
 - k) Entering into hire purchase agreements or availing further loans or facilities including, against the assets offered as security;
 - l) Advancing loans or guarantees or letters of comfort on behalf of any other borrower;
 - m) Advancing loans to directors, associates, or other companies;
 - n) Sale or disposal of undertaking;
 - o) Assign or transfer all or any of our rights, benefits, or obligations under any finance document;



- p) Dilution of promoter shareholding and non-maintenance of shareholding of promoters/ directors at the prescribed threshold;
- q) Declaration or payment of dividends by our Company;
8. **Events of default:** Borrowing arrangements entered into by our Company contain standard events of default, including *inter-alia*:
- a) Change in capital structure or shareholding pattern of our Company without prior approval of the lender;
- b) Creation of any further charge on the fixed assets of our Company without prior approval of the lender;
- c) Violation of any term of the relevant agreement or any other borrowing agreement entered into by our Company with the lender;
- d) Any change in the financial ratios of our Company beyond the prescribed limits as mentioned under various borrowing agreements;
- e) Any merger, consolidation, re-organisation, scheme of arrangement or compromise between our Company and its creditors or shareholders or if our Company effects any scheme of amalgamation or reconstruction without prior approval of the lender;
- f) Change in management or control of our Company without prior approval of the lender;
- g) If our Company causes any material change to the nature or conduct of business, ceases to carry on its business or gives notice of its intention to do so without prior approval of the lender;
- h) Non-creation of the required security as required under the loan agreement entered into between our Company and lender within the stipulated time;
- i) Non-payment of instalment/ interest within stipulated time;
- j) Diversion of funds for purposes other than the sanctioned purpose;
- k) Change or amendment to the constitutional documents without prior approval of the lender;
- l) Down-grading of credit ratings below specified limits, as stipulated by the lender;
- m) If our Company fails to furnish to the lender detailed end use statement of the loan as and when so required by the lender within the time prescribed by the lender;
- n) If a receiver is appointed in respect of the whole or any part of the property/assets of our Company or if any attachment, distress, execution, or other process against our Company, or any of the securities is imposed or levied upon;
- o) Any government (including any political or administrative sub-division thereof), governmental authority, agency, official or entity takes or threatens any action against our Company;
- p) Our Company voluntarily or involuntarily becomes the subject of proceedings under any bankruptcy or insolvency law;
- q) A moratorium is declared in respect of any indebtedness of our Company or the security provider;
- r) Classification of our Company, the Promoters, the Directors as wilful defaulters or fraud;
- s) All or substantially all of the undertaking, assets or properties of our Company or its interests therein are seized, nationalised, expropriated or compulsorily acquired by the authority of Government;



- t) Any corporate action, legal proceedings or other procedure or step is taken in related to the suspension of payments, moratorium of any Indebtedness, winding-up, dissolution, administration, or reorganization of the Issuer;
- u) Cancellation of license or Registration by RBI; and
- v) Beach of covenants, conditions, representations, warranty of the Facility or Finance documents.
9. **Consequences on occurrence of event of default:** In terms of the facility agreements and sanction letters, in case of occurrence of events of default set out above, our lenders may, among others:
- terminate either whole or part of the facility and/ or declare that the dues and all obligations shall immediately become due and payable to the lender;
 - declare security created to be enforceable;
 - take possession of and/or transfer the assets comprised within the security;
 - appointment of observer/ nominee director on the board;
 - recall the entire facility including any outstanding amount thereto;
 - trigger cross-default provisions as prescribed in the facility documentation;
 - conversion of outstanding loan obligations into equity or other securities;
 - stipulate any additional condition as they may deem fit including but not limited to stipulation of additional security / collateral, require infusion of additional equity / funds from the promoter;
 - review the management set-up or organization of our Company;
 - exercise such remedies as may be permitted or available to the lender under law, including RBI guidelines;

The details provided above are indicative and there may be additional terms, conditions, and requirements under the various outstanding borrowing arrangements of our Company.

Details of listed non-convertible debentures issued by our Company

The following table sets forth the ISIN and scrip code of the non-convertible debentures issued by our Company:

ISIN	Scrip Code	Status	Debenture Holder	Outstanding Principal Amount	Maturity
				(in ₹ million)	
INE046W07065	959092	Active	Blue Orchard Microfinance Fund	700.00	November 27, 2024
INE046W07115	960250	Active	Japan ASIAN Women Empowerment Fund	450.00	May 25, 2024
INE046W07149	973696	Active	Northern Arc Capital Limited, Northern Arc Money Market Alpha Trust with Northern Arc Money Market Alpha Fund	1,154.00	March 31, 2024

ISIN	Scrip Code	Status	Debenture Holder	Outstanding Principal Amount	Maturity
				(in ₹ million)	
INE046W07172	973962	Active	Blue Orchard Microfinance Fund	380.00	May 27, 2027
INE046W07180	973973	Active	Blue Orchard Microfinance Fund	1,120.00	June 3, 2027
INE046W07198	NA	Active	Global Access Fund	932.00	December 15, 2025
INE046W07206	974076	Active	S K Finance Limited MAS Financial Services Limited Credavenue Private Limited	1,000.00	January 27, 2024
INE046W07214	974086	Active	Northern Arc Capital Limited	700.00	April 29, 2024
INE046W07206	974076	Active	MAS Financial Services Limited, S K Finance Limited	1,000.00	January 27, 2024
INE046W07222	974470	Active	Vivriti Capital Private Limited, S K Finance Limited, Credavenue Securities Private Limited	1,000.00	June 22, 2024
INE046W07230	974561	Active	A K Capital Finance Limited, A. K. Capital Services Limited, OXYZO Financial Services Private Limited	1,000.00	January 27, 2026
INE046W07230	974561	Active	A K Capital Finance Limited	1,000.00	January 27, 2026
INE046W07248	974881	Active	A K Capital Finance Limited, A. K. Capital Services Limited, OXYZO Financial Services Private Limited, Merit Credit Corporation Limited, A K Wealth	1,500.00	June 5, 2026



ISIN	Scrip Code	Status	Debenture Holder	Outstanding Principal Amount	Maturity
				(in ₹ million)	
			Management Private Limited, A K Capital Corporation Private Limited, M Square Financial Consultants and Auto Private Limited, Mas Financial Services Limited		
INE046W07255	974966	Active	A K Capital Finance Limited	750.00	July 7, 2026
INE046W07263	975004	Active	A K Capital Finance Limited	750.00	August 1, 2026
Total				13,436.00	

