MUTHOOT MICROFIN LIMITED

<u>34TH ANNUAL GENERAL MEETING</u>

<u>AUGUST 11, 2026 AT 3:00 PM</u>

<u>Management:</u>

Mr. Thomas Muthoot	Chairman and Non-Executive Director, Chairperson of Stakeholder Committee
Mr. Thomas George Muthoot	Non-Executive Promoter Director
Mr. Thomas Muthoot John	Executive Director
Ms. Hannah Muthoot	Additional Non-Executive Director
Ms. Pushpy B Muricken	Independent Director, Chairperson of Audit Committee
Mr. T S Vijayan	Independent Director, Chairman of Nomination and Remuneration Committee
Mr. Anil Sreedhar	Independent Director
Mr. Sadaf Sayeed	Chief Executive Officer
Mr. Udeesh Ullas	Chief Operating Officer
Mr. Praveen T	Chief Financial Officer
Ms. Neethu Ajay	Chief Compliance Officer and Company Secretary

Video Conference Platform: Webex
Moderator: Mr. Sameer Shah

Moderator: Good afternoon, ladies and gentlemen. On behalf of Muthoot Microfin Limited, I extend a very warm welcome to all our shareholders to the 34th Annual General Meeting ("AGM") of the Company, being held through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM"). For the smooth conduct of the meeting, all participants will remain on mute by default. Shareholders who have pre-registered to speak will be unmuted when it is their turn to address the meeting. Please note that, in compliance with the applicable statutory requirements, the proceedings of this AGM are being recorded, and the transcript of the meeting will be made available on the Company's website in due course. I now hand over the proceedings to Ms. Neethu Ajay, Chief Compliance Officer and Company Secretary of the Company. Over to you, Ma'am.

Neethu Ajay: Thank you, Mr. Sameer. Good afternoon, Respected Chairman, Executive Director, Members of the Board, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, and our esteemed shareholders. Once again, I extend a very warm welcome to all of you to the 34th Annual General Meeting ("AGM") of Muthoot Microfin Limited. Before we commence with the Chairman's address, I would like to briefly explain the conduct of today's meeting. The 34th Annual General Meeting of the Company is being convened through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") in compliance with the provisions of the Companies Act, 2013, and the applicable circulars issued by the Ministry of Corporate Affairs ("MCA") and the Securities and Exchange Board of India ("SEBI"). The meeting is being facilitated by National Securities Depository Limited ("NSDL") in association with the Webex platform, and the facility for joining the meeting through VC has been made available to all shareholders. For the smooth conduct of the meeting, all participants will remain on mute by default. Shareholders who have pre-registered as speakers will be unmuted when their turn comes. For a better meeting experience, shareholders are requested to use a high-speed internet connection and, wherever possible, join the meeting through a laptop or desktop device.

Pursuant to the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company provided the facility of remote e-voting to all eligible members in respect of the resolutions set out in the Notice of the AGM. As stated in the AGM Notice, the remote e-voting facility commenced at 9:00 A.M. on Saturday, August 8, 2026, and concluded at 5:00 P.M. on Monday, August 10, 2026. In addition, in compliance with the applicable provisions of the Companies Act, 2013, the MCA Circulars, and the SEBI Listing Regulations, the Company has also provided the facility of e-voting during the AGM. Members who have already cast their votes through remote e-voting need not vote again. Those who have not yet exercised their voting rights may do so through the e-voting module, which will remain open during the meeting. Kindly note that there will be no voting by show of hands at this AGM. The Annual Report for the Financial Year 2025-26, together with the Notice convening the 34th AGM, was sent electronically to those members whose email addresses are registered with the Company, their Depository Participants, or KFin Technologies Limited, the Registrar and Share Transfer Agent ("RTA") of the Company. In compliance with the amended provisions of Regulation 36(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, communication was also sent to shareholders whose email addresses were not registered. Further, physical copies of the Annual Report and AGM Notice were dispatched to those members who had specifically requested the same. In accordance with the provisions of the Companies Act, 2013, the statutory registers of the Company and the relevant documents relating to the ordinary and special businesses set out in the Notice are available electronically for inspection by the members during the meeting. So, within the prescribed timeline, seven shareholders have registered themselves as speakers for today's AGM. They will be invited to speak in the order of their registration. The Management will also endeavour to respond to questions received through the chat box facility during the meeting. The members may also note that the Secretarial Auditor has issued the certificate confirming compliance of the Muthoot Microfin Employee Stock Option Plan, 2016 and the Muthoot Microfin Limited Employee Stock Option Plan, 2022. The certificate is available electronically for inspection by the members during the AGM. As the requisite quorum is present, I now request our Hon'ble Chairman to call the meeting to order and deliver his opening remarks. Over to you, Thomas Sir.

Thomas Muthoot: Good afternoon, shareholders, Directors and all officials attending the AGM. We have the requisite number of members, as confirmed by the Company Secretary, present and attending the AGM through Video Conferencing or Other Audio-Visual Means, the requirement of quorum is met, and I call the meeting to order. I am Thomas Muthoot, Chairman and Non-Executive Director of the Company attending the 34th AGM of the Company from the Administrative Office of the Company. During the financial year 2025-26, the microfinance industry continued to operate in a challenging environment. Despite these headwinds, Muthoot Microfin demonstrated resilience by remaining focused on its core purpose of empowering underserved communities through responsible financial inclusion. Our

performance during the year reflects the strength of our business fundamentals, disciplined risk management and the firm commitment of our employees. We continued to strengthen our balance sheet, improve our asset quality and make steady progress in diversifying our product portfolio, thereby laying a stronger foundation for sustainable long-term growth. As we move forward, we remain confident about the opportunities ahead. Backed by strong governance, customer trust and the support of all our stakeholders, we will continue to pursue sustainable growth while creating long-term value for our shareholders and making a meaningful difference in the lives of the communities we serve.
I take this opportunity to thank our shareholders, customers, lenders, business partners and employees for their continued trust and support. I now request the Company Secretary to carry on with the further proceedings.

Neethu Ajay: Thank you, Sir. At the outset, I would like to extend a warm welcome to all the Directors present at today's meeting. We have with us Mr. Thomas George Muthoot, Non-Executive Director; Mr. Thomas Muthoot John, Executive Director; Ms. Hannah Muthoot, Additional Non-Executive Director; Mrs. Pushpy B. Muricken, Independent Director and Chairperson of the Audit Committee; Mr. T. S. Vijayan, Independent Director and Chairman of the Nomination and Remuneration Committee; Ms. Bhama Krishnamurthy, Independent Director; Mr. Alok Prasad, Independent Director; and Mr. Anil Sreedhar, Independent Director. With the permission of the Chairman, I also extend a warm welcome to Mr. Sadaf Sayeed, Chief Executive Officer; Mr. Udeesh Ullas, Chief Operating Officer; Mr. Praveen T., Chief Financial Officer; Mr. Ramesh Gupta, representing Suresh Surana & Associates LLP, the Statutory Auditors of the Company; and Mr. Sivakumar P, the Scrutinizer appointed to oversee the remote e-voting process as well as the e-voting conducted during this AGM and partner of SEP& Associates, Secretarial Auditors of the Company. Members may kindly note that the Notice convening this Annual General Meeting and the Statutory Auditors' Report have already been circulated to all shareholders. With your permission, I request that the Notice and the Auditors' Report be taken as read. With the permission of the Chairman, I now invite Mr. Sadaf Sayeed, Chief Executive Officer, to present a brief overview of the Company's business performance and key highlights for the Financial Year 2025-26. Over to you, Sir.

Sadaf Sayeed: Thank you very much, Neethu. A very good morning to all of you on behalf of Muthoot Microfin. To our shareholders, members of the Board, colleagues, auditors, bankers, and everyone who has joined us today, thank you for being with us at the 34th Annual General Meeting of Muthoot Microfin. It is a privilege to speak with you today as we reflect on a year that marked an important transition for the Company. The previous year tested the resilience of the microfinance industry and required us to take some difficult and prudent decisions. This year, we have moved from protecting the institution to rebuilding it, restoring profitability and preparing it for the next phase of growth. I would describe 2025–26 as a year of resilience, revival and strategic transformation. We improved asset quality, restored profitability, strengthened our risk management framework and, at the same time, began changing the shape of our business. We have started moving from a predominantly JLG-focused institution towards a more diversified, technology-enabled retail financial services franchise. Our theme this year captures this journey very well: Smart Lending. Stronger Reach. Risk Management Powered by AI. For us, these are not three separate initiatives. They are three parts of the same strategy — understanding the customer better, reaching the right customer with the right solution, and using technology and data to manage risk with greater precision. Let me first talk about the environment in which we operated. The microfinance industry entered 2025–26 after one of its most challenging periods in recent history. High borrower leverage in certain markets, asset-quality pressures, tighter liquidity and uncertainty around regulatory developments had affected customer sentiment and repayment behaviour. The industry therefore had to recalibrate. The emphasis shifted from rapid expansion to portfolio quality, responsible lending, affordability and stronger credit discipline. I believe this reset was necessary and, in many ways, healthy for the industry. It has encouraged lenders to become more selective, improve underwriting, strengthen collections and use data much more effectively in making credit decisions. At Muthoot Microfin, we chose to use this period not merely to recover from the cycle, but to strengthen the fundamentals of the business. We focused on improving the quality of the portfolio, building stronger risk systems, increasing operational efficiency and understanding where our customers' financial needs were evolving. That has led us to a very clear approach to growth. Our focus is to understand our customers better, anticipate their evolving needs and serve them with the right financial solutions. This is what we believe will take us from financial inclusion to meaningful financial inclusion and that is where our theme begins. Smart lending, for us, is about making better lending decisions. We are increasingly combining our deep understanding of customers and markets with data, analytics and technology to identify the right customers, understand their evolving financial needs and offer solutions that are appropriate to their circumstances and capacity. One of the most important changes we have made is to move towards more individualised customer assessment. We have built a proprietary internal scorecard using our own data and behavioural insights, and we are strengthening this with credit bureau information, account aggregator data and banking behaviour. We are also using AI and machine learning in underwriting, along with early-warning systems, real-time bureau checks, geotagging, penny-drop validation and Aadhaar-based e-KYC. But technology by itself is not the answer.

Our strength comes from combining technology with the intelligence of our field teams. Our AI systems can analyse large amounts of information quickly and identify patterns that may not be visible through traditional processes. At the same time, our field officers understand the customer, the local economy and the context in which the customer operates. So our approach is not AI versus human intelligence. It is AI working with human intelligence. The second part of our theme is Stronger Reach. It means being relevant to the right customer, in the right market, with the right financial solution. We have a customer franchise of more than 3.25 million people and a presence across 21 states and union territories. Around 97.3% of our operations continue to be in rural areas. This gives us something very valuable — a deep understanding of rural and semi-urban households and their evolving financial needs.

Our opportunity now is to serve those customers more comprehensively. A customer may begin with a livelihood loan. As her business grows, she may need an individual business loan. At another stage, she may require a gold loan for an immediate need, or a loan against property for a larger business or livelihood requirement. Our strategy is therefore moving from simply providing credit to building a broader relationship with the customer. This is the thinking behind our diversification into Individual Loans, Gold Loans and Micro LAP. The third and perhaps most important part of our theme is Risk Management Powered by AI. As we diversify our portfolio and expand our relationship with customers, our risk management framework has to become stronger, faster and more predictive. We are therefore building risk management into every stage of the lending lifecycle. Our early-warning systems are designed to identify emerging stress before it becomes a larger portfolio problem. Our underwriting models bring together bureau information, behavioural data and banking information. Our technology platforms provide greater visibility into portfolio performance, while specialised collections teams focus on stressed accounts and particularly 90-plus DPD cases. We are also using generative AI in our credit processes. Customer interactions in local languages can be digitally recorded and converted into structured credit appraisal inputs. Image-based analytics can provide additional validation of business activity and household conditions. The results we have seen give us confidence that this approach is working. Our credit cost reduced from 9.4% in FY25 to 3.5% in FY26. Asset quality also improved, with GNPA declining from 4.85% in FY25 to 3.89% in FY26. And importantly, the performance of the newer portfolio is giving us further confidence. The most important thing, the theme is the diversification. These three elements — smart lending, stronger reach and technology-powered risk management — are enabling a fundamental change in our business model. In March 2025, around 97% of our portfolio was JLG. By March 2026, JLG accounted for 82.5%, with non-JLG businesses contributing 17.5%. And this transformation has continued into the first quarter, with JLG now accounting for around 76% of our assets and non-JLG businesses around 24%. Our individual lending business has scaled particularly well. By the end of Q1, the portfolio had reached around ₹3,200 crore, with very strong early asset-quality performance. Our objective is to become the first-choice lender for these customers by combining our customer relationships, technology platform and broader product suite suiting to our customer. Let me now come to the financial performance of the year. 2025–26 was a clear turnaround year for Muthoot Microfin. Our AUM reached ₹14,006 crore, representing growth of 13%. Non-JLG portfolio expanded to 17.5%, reflecting steady traction in the segment. We also remained disciplined on our operating footprint. During the year, we consolidated 91 branches following a detailed review of branch-level performance and productivity. This allowed us to deploy resources more efficiently and improve unit economics. At the end of the year, our network stood at 1,670 branches and our workforce at 15,735 employees. Total income increased to ₹2,381 crore and Profit After Tax recovered strongly to ₹170 crore. The quality of the portfolio improved significantly. Credit cost came down to 3.5%, while GNPA reduced to 3.89%. Our Stage 3 provision coverage stood at 71.5%, reflecting our continued prudence in provisioning. Our Cost of funds declines by 75 bps to 10.27 %, and our capital adequacy ratio was 23.9%, providing a strong capital foundation for the next phase of growth. So the FY26 numbers demonstrate something important. We did not pursue growth at any cost. We improved the quality of growth. Talking about the first quarter of the current financial year gives us further confidence that the strategy we have been building is now moving into execution. We disbursed around ₹2,644 crore in Q1 — our highest-ever first-quarter disbursement — representing approximately 49% growth over Q1 of the previous year. Our AUM grew 18% year-on-year to ₹14,457 crore. The improvement is also reflected in our financial performance. Total income grew 20% year-on-year and 5% quarter-on-quarter to ₹670.6 crore, while Net Interest Margin remained stable at 12.0%. Profitability improved by twelve-fold year-on-year and 14% quarter-on-quarter to ₹81 crore, despite Q1 being a seasonally weak quarter. Portfolio diversification continued during the quarter, with the Non-JLG portfolio increasing to 24%, driven by sustained growth in our Small and Micro Enterprise and Individual Loan segments. We also commenced gold loan disbursements during the quarter under our referral and co-lending partnership with Muthoot Fincorp Limited.

Importantly, the improvement in asset quality has continued. Overall collection on time was around 98%, while the X-bucket performance was around 99.9%. Credit cost reduced further from 2.8% in the previous quarter to 2.6% in Q1. The funding environment is also becoming more supportive. Our cost of funds reduced from 10.27% to around 10.13% during Q1, while our incremental borrowing cost is already around 9.8%. We also received a rating upgrade to AA- from

CRISIL during the quarter, and we expect the benefit of this upgrade to reflect progressively in our cost of funds. We currently have around ₹5,000 crore of sanctioned funding available, in addition to the credit guarantee support available to us. This provides us with a strong liquidity position as we enter the next phase of growth. Technology continues to play an important role in strengthening customer engagement. Digital collections increased to 40.5%, compared with 23.1% in Q1 FY26, reflecting continued adoption of digital payment channels by our customers. Taken together, these trends give us confidence that diversification, when combined with disciplined underwriting, strong risk management and technology, can become a meaningful growth engine for the Company. Based on the momentum we are seeing in the business, we remain confident of achieving our revised AUM growth guidance of 18- 20% for the year. Another important aspect during the last quarter, We recently laid down our Vision 30-30. Our ambition is to build a ₹30,000 crore AUM franchise by 2030, while targeting a Return on Assets of 5% or higher and Return on Equity of 20% or higher. But Vision 30-30 is not simply an AUM ambition. It is our vision of what Muthoot Microfin should become.

By 2030, we aim to have a substantially more diversified portfolio, with approximately 53% of AUM from JLG, around 33% from Muthoot Small Enterprise Loans, about 10% from MSME lending and approximately 3% from retail lending. We will be building a business that is more balanced and better able to withstand the cyclical nature of microfinance. Most importantly, we want to serve more of the financial lifecycle of the households that we already understand deeply. In my closing remark, I would like to say, I believe Muthoot Microfin is today at an important point in its journey. We have come through a difficult cycle. We have restored profitability, improved asset quality, strengthened our risk architecture and begun transforming the portfolio. More importantly, we have built the foundation for a different kind of growth — growth that is more diversified, more technology-enabled and more disciplined. I would like to thank our customers for their continued trust, our employees for their commitment and resilience, our lenders, bankers and partners for their support, and our Board for its guidance. And to our shareholders, thank you for believing in Muthoot Microfin and in our long-term vision. The opportunity ahead of us is significant, and we believe we are well positioned to capture it. We will continue to grow with discipline, serve our customers with greater relevance, and build a stronger and more resilient institution for the years ahead.

Neethu Ajay: Thank you Sadaf Sir. We shall now proceed to the main agenda of today's meeting, namely, the transaction of the Ordinary and Special Businesses as set out in the Notice convening the 34th Annual General Meeting.
Ordinary Business:

1. To receive, consider and adopt the Annual Audited Financial Statements of the Company including the Balance Sheet as on March 31, 2026, and the Statement of Profit and Loss Account and Cash Flow Statement for the financial year ended March 31, 2026, together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Thomas George Muthoot (DIN: 00011552) who retires by rotation at this Annual General Meeting, and being eligible, offers himself for re-appointment.

Now coming to the Special Businesses. The items are;

3. To consider the proposal for issuance through Private Placement of Debenture and/or through Public Issue.
4. To consider the appointment of Ms. Hannah Muthoot (DIN: 10762532) as Non-Executive Director of the Company.

The Ordinary and Special Businesses to be transacted at this Annual General Meeting are as set out in the Notice of the AGM, which has already been circulated to all the shareholders. The objectives and implications of the proposed resolutions, together with the explanatory statement wherever applicable, have been provided in the Notice of the AGM. Should any member require further clarification on any of the agenda items, they may raise their queries during the Question-and-Answer session. We shall now proceed with the shareholder interaction session. I understand that seven shareholders have registered themselves as speakers for today's meeting. I request the registered speaker shareholders to raise their questions or offer their comments when their names are announced. Shareholders who have not registered as speakers but wish to ask any questions may do so through the chat box available on their screen. To avoid repetition, the Management will respond collectively to all the questions at the end of the shareholder interaction session. I request the registered speaker shareholders to speak in the order in which their names are called by the Moderator. I now request the Moderator to announce the names of the registered speaker shareholders.

Moderator: Thank you, Madam. We shall now commence the Question-and-Answer session. I request each of the registered speaker shareholders to keep their remarks and questions brief, preferably within two minutes, to enable all registered speakers to participate. If any shareholder has additional questions that could not be covered during the allotted time, they may send the same to the Company by email, and the Management will respond appropriately. We will first hear from all the registered speaker shareholders. Thereafter, the Management will respond collectively to the questions and observations raised during the session. We were supposed to have with us Mr. S Karuna Sagar followed by Mr. Sarvjeet Singh, but these two registered speaker shareholders couldn't be a part of this meeting today. Hence going ahead we have with us. I now invite Mr. Himanshu Trivedi, who has registered as a speaker shareholder, to address the meeting. Mr. Himanshu Trivedi, you may please proceed with your questions.

Speaker 1: Himanshu Trivedi: Good afternoon, all of you, respected chairman, Mr. Thomas Muthoot and Board of Directors sitting on the dais. I am Himanshu Trivedi from Gujarat, Vadodara. First of all, company Secretary, Neethu Ajay, who's been sending the hard copy of AGM Notice, well enough with full of information, which is easy to follow and easy to understand. Thankful to you and your entire secretarial team. Report is nicely prepared, all parameters are covered in the AGM Notice. So, I don't have many questions because I have full faith on board and they're working I have already sent my question and email. Chairman sir has given the fantastic speech in their opening remarks, so I don't have not further carry. As a speaker, I have few questions, what is the market share we have in domestic market? My second query, what would be the profit-sharing ratio coming financial year? My third query, what measures are taken by our organization to recover the loan against the defaulter? My fourth query, what are the main sources of loan our defaulter to select our loans. I wish good luck and bright future for coming financial years. Thank you. Please remember sir speaker shareholder at the time of festival, as same as your employees and as same as your family member. Thank You, Sir

Moderator: Thank you, this was Mr. Himanshu Trivedi. Going ahead in the list of our registered speaker shareholders, we were supposed to be joined by Mr. Manjit Singh followed by Mr. Dileep Kumar Jain. Unfortunately, these two also couldn't join this meeting today. Hence, the next person to be joining us with the queries to raise Mr. Reddeppa Gundluru. I now invite Mr. Reddeppa Gundluru, who has registered himself as a speaker to ask questions. please ask your questions.

Speaker 2: Reddeppa Gundluru: Thank you, sir, good afternoon, Chairman Sir, Thomas Muthoot Ji, Executive Director Thomas Muthoot John Ji, CEO Mr. Sadaf Ji, and Company Secretary Neethu Ajay Ji, and directors, other Management and my fellow shareholders Auditors and moderator. Sir, I would like to say my special tribute to our visionary founder Pappachan Muthoot Ji and his photograph in Annual report the very impressive and his vision and values and legacy continuing the guidance and the Muthoot group I sincerely appreciate the presence and leadership on the carrying the legacy to former founder chairman. Sir, annual report has been received as requested to the company secretary promptly and i have received the annual report. This is annual report is the full of color sir. The 1st page is white color, second is the mixture color and also, the green color and also the numbers financial performance are very good and the highlights of this financial year 2026 were wonderful especially the photographs of the speaking and all the photos photographs are smiling especially our MD and CEO page number. Chairman sir your smile is very good. With your speech. Also our MD sir, executive director Thomas sir also looking good smile sir. With your speech. your CFO. CEOs speech is very wonderful and presentation very wonderful. Thank you so much for your wonderful annual report and also, I found the beautiful transparent of governance. Very wonderful sir. The company financial platform is encouraging, having the 15,735 employment you are giving Mr. CEO and MD and our chairman sir are this is really great. Wherever we are going and growing giving employment to many, this is needed, this is the vision of our Pappachan Muthoot sir, congratulations to entire board, executive director, All the doing good, good it's always remember, god will bless us. I would like also to congratulate the entire the team MD, CEO, chairman for we received so much accolades, appreciations, awards, highlights on page number 40 and 41, so many pictures. So many awards were especially impressed about the great place to work award. Yes, the skoch award, best the workplace award, so many women's are there, women environment is there in my company. So, thank you so much for the wonderful awards, I'm very happy with this. Sir my questions are since our major business in the JLG microfinance model, how is my company protecting in the borrowers from the over indebtedness and controlling the GNPA and the credit stress particular local and rural area difficulty sir. Really doing this localized economic difficulty sir. Second question is about geographical diversification my company has strong exposure to the south. Just a minute so someone is calling yeah so geographical, the question is exposure to South India, particularly Kerala and Tamil Nadu and what is the management view and strategy and vision to target for expanding in a north, west and central India to reduce the geographical concentration. My third question is on secure lending. So, the company is increasing its focus on products such as micro LAP and gold loan co lending, and what is our progress towards the proposal of 1500 core secured lending target and how will this improve our company overall risk profile and profitability? The fourth question is about restructuring. Regarding the transfer of the promoter of family holdings six promoter trust in the management assure that this promoter restructuring that is, it will not adverse impact their governance or any management continuity or minority shareholders. I would like to know sir. Finally, one more humble request, sir, Ms. Neethu Ajay is conducting very well, very smoothly, but my appreciate her efforts. However, I did not receive a call from courtesy call before. other companies are doing reminder of courtesy communication. Communication will increase the relationship. Relationship will make relationship. I request the company secretary office to the shareholders relationship and investor communication particularly speaker shareholders are strong shareholder connector system will be further enhanced the company excellent governance standards. Once again congratulations to chairman Thomas sir and our MDs and CEO. You are the pillar of my company, you are giving 15,735 employees are very happy. So, India is growing so our country is the fastest growing in the in the global so infrastructure is the increasing rail, road, everything increasing small cities are increasing, so our company also increasing, you are the part of the one of the roll playing in my countries growth, excellent asset quality, Responsible financial inclusion, Strong value creations for Shareholders. But you are not recognizing in the festival times shareholders relationship. We are the part of the Family so please look into in the Diwali greeting so relationship is anyhow, thank you so much. I have other questions I send mail to company secretary, and the voting has been done, No questions on the resolution Finally sir, throw some light about the vision 2030 outlook financial. With this I'm concluding sir, we have faith on you, trust on you you, go ahead, God with us, shareholders, support with you and hundred percent hopefully coming financial year we will achieve many more hours, sir this year awards two pages. Next year, four or five pages will receive recognition awards sir. That much confidence I have. That's the reason I pray God to give more wisdom strength power especially health and entire KMPs entire board families, hardworking team entire. Please remember sir, don't forget sir, you are connecting with VC no physical interaction, so don't forget the speakers shareholders are we are reading the balance sheet and asking everything sir, we are spending the time, don't be ignorance sir. Thank you so much sir. Thank you. MD sir, CEO Sir, You are the three pillars of my company sir wonderful sir. Women's are laughing. Woman is Lakshmi. Lakshmi is very stronger, our country is strong. You are doing good. Good is always remember sir. God bless you sir. So nice of you.

Moderator: Thank you. Reddappa Ji. going ahead to our next registered speaker shareholder, we have Mr. Bharat Raj with us. Mr. Bharat Raj, can we go ahead with your questions, Please, Once again, we would request the speaker shareholders to please be brief with their observations. Stick to the questions and make the interaction brief pertaining only to this AGM.

Speaker 3: Bharat Raj: Good afternoon. Chairman, Entire Board of Director, I am Bharat Raj attending from Hyderabad. Wonderful Presentation and the information given to your annual speech. I congratulate you for the wonderful performance in this financial year. I support all the resolution and I thank the secretary department send me the link in the annual report also. Chairman sir, any plan for the right issue for expansion of company please let me know any QIP issues. Due to the geopolitical war situation, what will the impact on my balance sheets in this financial year? Once again Mr. chairman, I believe leadership take the appropriate decisions and keep my company into a successful and I hope my revenue will be double in coming years sir. All the best I am Bharat Raj signing up from Hyderabad. Thank you. Thanks.

Moderator: Thank you so much. We had a shareholder speaker that we previously called upon and he wasn't present, but he has joined this meeting and we would like to take the questions from him. We have Mr. Dileep Jain. Can we go ahead with your questions, please.

Speaker 4: Dileep Jain: *No Sound*

Moderator: Dileep sir is not responding. We think we'll have to go ahead. This brings us to the end of all of the questions from all the registered speaker shareholders. Next, we would like to go ahead to the board members and our Chief Executive Officer sir, to help us with the answers on the same. Thank you.

Sadaf Sayeed: Yeah, thank you very much for those compliments and support and everything. It gives us a great amount of pleasure that our shareholders were able to go through our annual report, and they liked the annual report. That's the first thing. I think, coming to the questions, I'll take one by one. They asked about what our market share is? So, currently if you look at the entire microfinance industry, our market share is around we are the 2nd largest microfinance company as per MFin reports, and if you consider Svatantra merged balance sheets, we are the 3rd largest. But in terms of disbursement, our market share in the industry is around 4% and if you look at the core market which is Kerala and Tamil Nadu, in these two markets, our market share is around 10% in Tamil Nadu and around 20% in Kerala. If you look at second question, what the profit, how it's looking like and what is the trend? In terms of profitability, it's consistently improving. It is driven by three or four factors. As I articulated in my speech, we are taking a calibrated strategy of diversification using technology, AI to underwrite and improving our discipline and underwriting and improving asset quality. So, the profitability is driven by three or four things. One is the efficiency in borrowing which brings us our cost of fund down and improves our net interest margin. Subsequently we have also built a lot of efficiency as in the last financial year we have also identified branches which are not contributing significantly to the bottom line and we have merged those branches and we have kept our branch in to, 1670 branches and the productivity per branch has improved from around seven growth last year to around 8.6 crore this quarter one. So, the AUM per branch is improving as a result, our operating cost is going down from a peak of FI 26, Q2- 7% it has come down to 6.3 % and it is continuously dropping and 3rd is our asset quality, our credit cost, which was at a peak at around 9.4 % has come down last financial year at 3.5 % and this financial year in quarter one it has come down to 2.6 %. So, all three aspects, better efficiency in the portfolio, a robust growth with good underwriting and better asset quality, better management of our cost of fund is yielding to profit and that's the profit looks like they will continue to grow and we have guided for a RO of around 3.3% for the full financial year and a growth of around 20% in our AUM. In terms of the question with respect to what the measures of recovery against the defaulter are, we have four different products that we lend primary being a JLG group. So, the 1st point of call is the group responsibility and joint liability. We approach the group members to recover the loan from, if any of the member in the group defaults. Second alternative for us is to have a dedicated collection teams which follows up with the customer. So primary follow up is done by the branch. Then there is a tele calling unit which follows up till 60 plus anything which goes more than 60 days plus are dedicated collection teams which follows up to 180 plus and if the after180 plus, there is a legal team which follows up with the customer and we have options of conducting local Adalat or arbitration and reconciliation with the customer to recover the money. That's with respect to JLG loan. In case of loans which are individual loans, they are e-nach based loan. So in case of a bounce of that we have the cause available for us to go for legal filing. So far the portfolio quality has been really good so we didn't have too much of default, we did not need to go to any such recourse. As of now we have 60 plus which is zero, so we didn't have to use that recourse, but we have that remedy available. In terms of loan against property, we have the property as collateral for recovery of the loan in case the customer is not willing to repay, we can all of course recall on the collateral and recover the money. Similar goes with the gold loan. We have the gold in our custody in case if there's a default then we can of course liquid the gold as per the regulatory provision given to us by RBI. So that's the, source of recovery and the recovery structure. I hope I've been able to answer all the questions that Mr. Thrivedi has put as well.

Coming to the questions which were given to us Mr. Reddappa Gundaluru, In terms of our controlling the GNPA and ensuring that the JLG business there is not sufficient, not too much like over indebtedness, we are very cautious of that in SRO has put a policy that any borrower which has more than three loans should not be given any support. In our investor presentation, we have highlighted that microfinance share of The portfolio where there is only exclusive Muthoot Microfin lender that around 46 % customers and around 32 % customer where we are plus one is there so almost 78 % or 80 % of our customer is Muthoot and Muthoot plus one and hardly .3 % of the customers of our AUM are in four plus loans, which is consistently coming down so we have a strict policy of ensuring that the customer who has multiple loans are not given any further credit. So that's how we are addressing the over indebtedness issue plus we continuously check in underwriting process that Credit bureau and whatever loans are outstanding for the customer and based on our income, whether our income is supporting these loans, then only we give to the customer. So, we are taking every care to ensure that the customer is not over indebted. In terms of geo diversification, and our predominant like exposure in South and which is main states. So, on diversification, we are a well-diversified company with presence in 21 states and union territories. But, we will continue to expand further. In the last few years, we have added territories like Andhra , Telangana and Assam We will continue to deepen our penetration in these three states. Meanwhile, our core state remains Kerala and Tamil Nadu where we are market leaders and we will like to continue to maintain that position in NBFC MFI space. Kerala and Tamil Nadu, entire south contributes around 50% of our portfolio. Our 23% comes from north. Around 12% comes from west and balance comes from east. Our stated strategy is that we will continue to have a 50% or 55% portfolio in south and balance will come from the rest of the territories. Our south performance has been exceptional. Our collection efficiency, and also the uptake of the newer product that is there has been very, very robust in and that is our conscious strategy and we'll continue to go with that. In terms of our progress of secured lending, on the secured lending side we have two products which is LAP and gold loan. Both the products are progressing really well. We have hit a ratio of around 10 crore disbursements in LAP per month and around hundred crore disbursement in gold loan per month, both in the form of referral as well as co lending. So that is something that we are doing. So, the progress is really good. Our aim is to at least disperse around 1200 crore in terms of gold loan and we will disperse close to around 400 to 500 crores in LAP business and build a strong portfolio which will support our overall diversification strategy.

By the end of this financial year, we are trying to look at 2030 mix, which is 70 % JLG and 30 % non GLG business. The fourth question with respect to restructuring the trust, and whether that will impact the minority shareholders, so I would like to reassure on behalf of the board and on behalf of the promoter group that the minority shareholders interest would be protected. There is no impact on the rights and whatever rights are there for minority shareholder, there would be no impact. The trust is merely created to hold the shares of the promoter family. and because of the parent company, we have changed the structure this structure is coming into effect and because we are a subsidiary of MFL so that is the only change that is there, but ultimately the promoter family behind that trust remains the same and there would be no impact on the rights of the shareholders. Yeah, and Outlook towards 2030, I think that's the last portion that Mr. Reddappa asked, so as I stated in our opening remarks, 2030 remains a goal that we want to each around 30,000 crore of AUM, 5% of ROA and the growth that we are looking is very, very clear wallet share led growth. We are looking at the rural household as a unit where we can provide multiple products to our customers catering and understanding their need, understanding their affordability and providing the most customized solution. Muthoot Microfin is uniquely positioned to take advantage of this because we have so much know how in the within the group to provide multiple products. So, our aim is to leverage on that know how and cater to the life cycle needs of our customer and reach an AUM of 30000 crore by 2030. Coming to questions which have been raised by Mr. Bharat Raj with respect to rights issue and geopolitical war impact. I'll take the geopolitical war impact question first. So, definitely we are very cautious and watchful of the macroeconomic development which are happening across our country and around the world. I think the most relevant impact that the war imposes is on the interest rate and the pricing. If the rate policy changes and the rates increase, then there could be an impact. So, and also on the inflation if because of the supply. On both side we are quite insulated because on the rate side we are making sure that our margins are protected. We are bringing in efficiency in our portfolio in our process as well. So, we are actually we're not seeing interest rate hardening, we are actually seeing reduction in rates during the last financial year we have seen 75 basis point reduction and the Q1 also we have seen 14 basis point reduction and this is despite before the rating upgrade that has taken place. I am sure in the coming year because of the rating upgrade, we will see further reduction in our cost of fund, but we are very watchful, and in our risk management, in our ECL calculation, we take all these aspects into consideration for creating provision. That's why we have continued to create sufficient provision and our provision coverage in Q1 has reached around 72% as compared to 70% earlier. With respect to rights issue, definitely, the company is in the process of growth and we have given a guidance of 20% growth. The company wants to reach 30000 crore of AUM by 2030 and this will definitely require sufficient capital while we reach ROA of 5%, some part of the growth can be funded by the, the accruals that we will generate to profits that we are making during there, but there would be requirement of capital rates at the appropriate time the board will guide us whether we need to go right issue route or a QIP route so we will go as per the board's guidance definitely we will give our shareholders the opportunity to participate in this but at the moment the capital adequacy stands very strong at 24.9 % as of the end of Q1 and our growth rate of 20 % that we are trying to achieve we have sufficient capital, but as and when the capital requirement is there, the board will give priority to this decision. I think these are all the questions Is there anyone, please let me know.

Neethu Ajay: Yeah, thank you sir. So I think you have responded to all the queries raised by our speaker shareholders. So, with that we have concluded the Q and A session with the registered speaker shareholders. We will now take up the questions if any received through the chat box during the course of this meeting. I request Mr. Praveen T, CFO to briefly present the queries received through the chat box if any and then after that we can respond to that queries as well. Can you just confirm if you have received any queries through the chat box?

Mr. Praveen T: Yeah, thank you Neethu. We have one question received from our shareholder, Vijay Kumar Baptis Ji, questions have come, one is that with competition, how will Microfin microfinance protect its margin? That's the 1st question. and second one is what is the steps taken by the company to reduce the NPA. 3rd question is that the borrowing of the company has increased from ₹8101 crores to ₹9707 crores. What is the reason for increasing the borrowing? This is the question that we have come. There is no further question.

Mr. Sadaf Sayeed: Thank you, Mr. Vijay Kumar, for your questions. I think with respect to competition, I think that is very, very important and relevant for us. Muthoot Microfin being a well-established organization with professional management. I have a very, very strong brand name is uniquely positioned to take advantage as far as the competition is concerned. It's a well-known name in financial Services sector, so wherever we go in a newer territory, we are well recognized. Apart from that our ability to diversify and offer products, whether it's individual loan, whether it's gold loan or loan against property or in future tool alone or consumer durable loan. All of these loans we have local know how within the group and we are leveraging on that know-how. This gives us a tremendous advantage in terms of extending products to our customers as compared to our competitors. e.g., in gold loan, Muthoot Microfin in tie up with Muthoot Fincrop doesn't have to open gold branches and that infrastructure investment that needed is not needed. We have a co-lending tie up and a referral tie up where the storage of the gold is managed by Muthoot Fincorp and at an arm’s length, we do this transaction. So that really helps us to kind of take this product to the last mile of our customers as compared to our competitors. And similarly, in terms of loan against property or offering any two-wheeler loan or any consumer deliverable loan, we have a group company support that is there so that gives us tremendous advantage. Apart from that we have a strong technology team with the help of the technology team, we have developed a customer app, no other microfinance company as of now has a well-established app as ours. We have more than 2.1 million customers who have subscribed to the app and all our individual loan customers are absolutely using that app. We have also with the help of app made our collections 40% digital. So definitely this app helps us to develop a deeper relationship with the customer, understand the customer offer multiple services. That's a huge advantage of digital collection is also helping us to bring in efficiency. So definitely in terms of competition, we are ahead in multiple levels, and we like to continue to be market leader, technology leader and product leader in this space and we'll continue to invest in this, innovate and keep ahead of the Competition. So, that is on the competition. 2nd question with respect to the steps to reduce NPA, so maintaining a very good portfolio quality is the number one priority for Muthoot Microfin. So, our 1st mandate from the board and our promoter is to have a growth with quality and for that matter only we have selected very carefully the products that we have entered into, e.g., individual loans. The loans are given only to customers who have been with us for around three years and they have 700 plus credit score with the credit bureau. As of now we have built a portfolio of 3200 crores and this portfolio is behaving really, really well with 30 plus of .02 %, which is a very, very, high quality of portfolio in every product that we launched, we are taking these consideration in terms into mind and making sure that our asset quality remains supreme. So, these are some of the steps. Apart from that, we have a strong collections team. We have a strong analytical team. We have early warning signals which are being analyzed through AI and we have invested around hugely in underwriting, 2000 plus people who are dedicated and underwriting to ensure that whatever loans we give are given to the right customer who need this loan and they are both have the capacity and intention to pay. So, to ensure that our NPAs are as low as possible, that is the effort. So, from underwriting to making sure that we select the customer right to disbursement to collections. We have a strong processes all along to ensure that the NPA remains no. With respect to borrowing, the growth that we are witnessing in our business requires us to borrow more. Our balance sheet has expanded as compared to last year and in the financial year review 27 also Q1 as we continue to grow, we would need definitely more and more borrowing. Having said that our capital adequacy remains strong at 24.9% at the end of Q1. Our leverage is around 3.4%. So, I think both sides we are comfortable in terms of a leverage as well as the capital adequacy. We will make sure that whenever we need more borrowing we raise capital if there is a need. But at the same time, for the support of the growth for the company, we will continue to borrow and we will seek the shareholders blessing also for all these need blessing for all these resolutions that we have presented to you. I think I've answered all the questions.

Neethu Ajay: Thank you, Sir. I would also like to express my sincere appreciation to all our shareholders, especially those who took the time to participate in today's meeting and share their valuable questions, feedback. We truly value your continued trust, support, and active engagement with the Company. I now request Mr. Udeesh Ullas, Chief Operating Officer, to propose the Vote of Thanks. Over to you.

Mr. Udeesh Ullas: Good evening, everyone. It is my privilege and honour to propose the Vote of Thanks on the occasion of the 34th Annual General Meeting of the Company. At the outset, I would like to extend my sincere gratitude to our respected Chairman, the Members of the Board, and the Management team for their valuable guidance and support. I would also like to place on record our heartfelt appreciation to all our esteemed shareholders for their active participation and for being a part of today's Annual General Meeting. My sincere thanks also go to our Statutory Auditors, Secretarial Auditors, Scrutinizer, Registrar and Share Transfer Agent (RTA), the NSDL team, and the Moderator for their valuable support and contribution in ensuring the smooth conduct of this meeting. Thank you all for your continued support and cooperation in making this event a success. Thank you.

Neethu Ajay: Dear Shareholders, Thank you. As all the agenda items set out in the Notice convening the Annual General Meeting have been duly discussed and transacted, the meeting stands concluded. The e-voting facility will remain open for an additional 15 minutes to enable those members who have not yet cast their votes to exercise their voting rights.

The resolutions as set out in the Notice of the AGM shall be deemed to have been passed on the date of this meeting, subject to receipt of the requisite number of votes. The e-voting results, along with the Scrutinizer's Report, will be submitted and placed on the Company's website within the prescribed statutory timelines. I thank all the shareholders, Directors, and participants for attending and actively participating in today's meeting. I hereby declare the proceedings of the 34th Annual General Meeting closed. Thank you.

Moderator: Thank you, All. Dear Members. The e-voting facility will remain open for an additional 15 minutes. Members who have attended the AGM and have not yet cast their votes are requested to avail this opportunity and exercise their voting rights. Thank you.

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