Pappachan Muthoot Microfin

A Muthoot Pappachan Group Company

SMART LENDING.
STRONGER REACH.
Risk Management Powered by AI

Annual Report 2025-26

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For more investor-related information, please visit

https://muthootmicrofin.com/investor-contacts/

Or,
scan this QR code

Investor Information

CIN	L65190MH1992PLC066228
BSE Code	544055
NSE Symbol	MUTHOOTMF
AGM Date	August 11, 2026
AGM Venue	Through Video Conference or Other Audio Visual Means and deemed to be at Registered Office of the Company

Disclaimer

This document contains statements about expected future events and financials of Muthoot Microfin Limited ('The Company'), which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results, and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications, and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

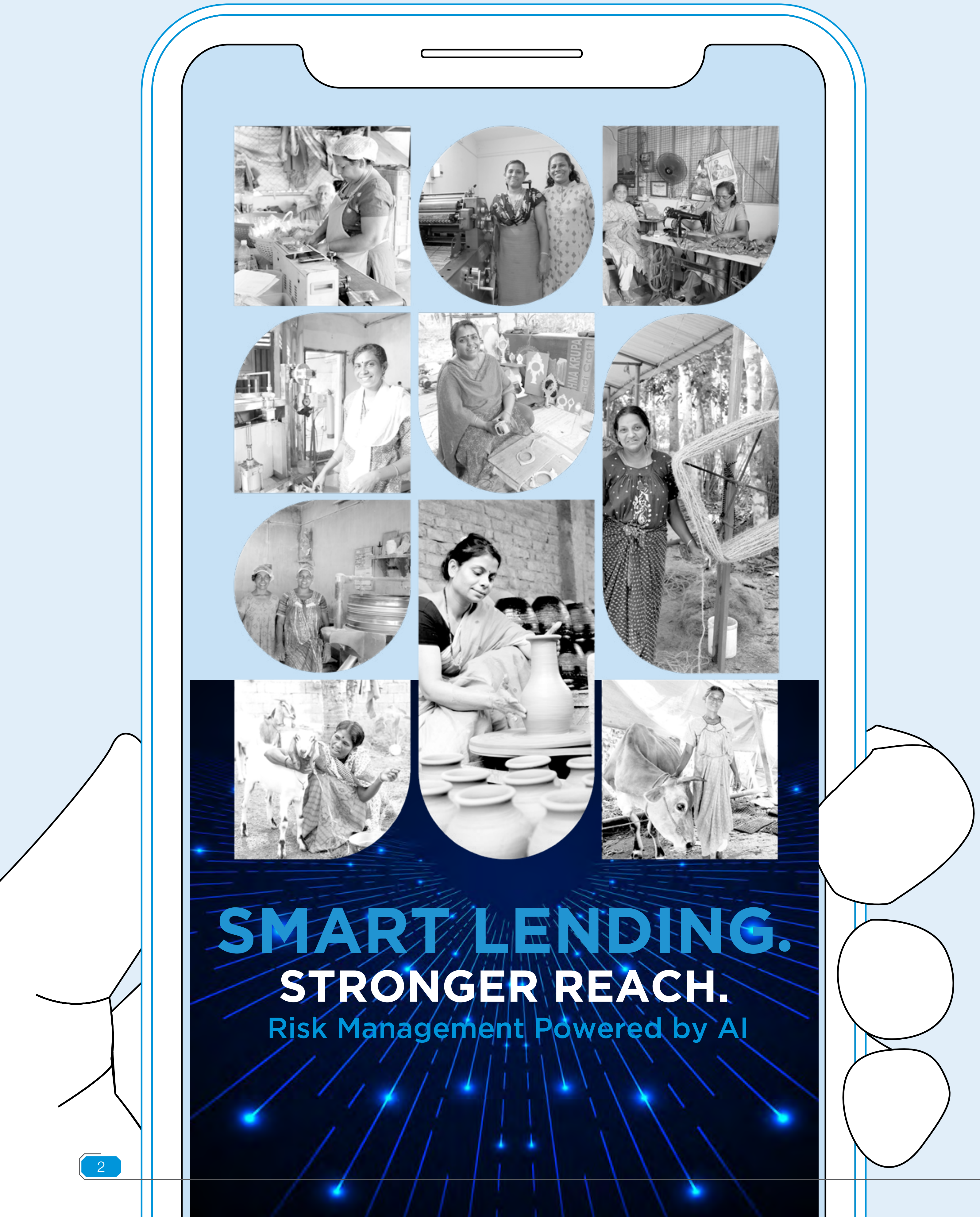
PAPPACHAN MUTHOOT

FOUNDER

(1927–2004)

◆

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



Growth in today's environment demands more than scale. It calls for smart lending and stronger reach.

At Muthoot Microfin, we translate this into sharper choices, stronger discipline, and a comprehensive understanding of risk, enabled by a blend of strategic insight and technology-driven precision.

In 2025–26, we made steady progress along this path. We moved beyond a singular lending approach to build a more balanced and future-ready franchise, one that expands prudently while consistently strengthening portfolio quality.

This transformation is being shaped by four clearly defined strategic levers: **Diversification, Geographic Expansion, AI-led Intelligence, and Risk Management Discipline,** together reinforcing our core philosophy of smart lending and stronger reach.

Through **Diversification**, we are strengthening our growth architecture by expanding across products and borrower segments. This enables a more balanced portfolio, reduces concentration risks, and ensures smarter deployment of capital while enhancing relevance across diverse customer needs.

Through **Geographic Expansion,** we are extending our reach into new markets while deepening our presence in existing regions, broadening access to credit and strengthening our connect with underserved communities.

With **AI-led Intelligence,** we are enabling smarter lending through advanced credit analytics and data-driven frameworks. These capabilities sharpen customer assessment, accelerate underwriting, and improve the precision of our decision-making at scale.

Risk Management Discipline remains at the core of our approach, anchored in robust underwriting standards, continuous portfolio monitoring, and proactive risk mitigation, ensuring that our expansion remains sustainable and portfolio quality stays strong.

Together, these levers are shaping a resilient and forward-looking growth model, where smart lending is powered by intelligence and discipline, and stronger reach is achieved through diversification and geographic expansion. Through this integrated approach, we continue to extend financial inclusion, strengthen customer resilience and create meaningful impact across underserved communities in India.

Theme Story

Reimagining Risk Management with

We are making risk management smarter and more responsive with AI-powered insights that sharpen decisions and anticipate borrower behaviour. Across the lending lifecycle, we enable faster approvals, proactive monitoring, and continuously evolving credit strategies.

Proprietary Intelligence

Our proprietary in-house scorecard, built on deep internal data and behavioural insights, enables finer risk segmentation, sharper credit decisions, and closer alignment with portfolio strategy. Continuous recalibration ensures responsiveness to changing borrower behaviour and macroeconomic conditions, consistently improving predictive accuracy and portfolio quality.

AI across the Credit Lifecycle

Our focus on AI integration has systematically benefitted every stage of the lending lifecycle, moving from static evaluation to real-time, context-aware decisioning. Through voice, image, and location intelligence, our AI-led credit assessment strengthens identity validation and underwriting, particularly for new-to-credit segments. This leads to faster approvals, richer insights, and more objective credit evaluation.

From Reactive to Proactive Risk Monitoring

AI-driven analytics shift risk management from reactive monitoring to proactive intervention. Early Warning Signals (EWS) flag potential delinquencies in advance, while dynamic risk rating continuously reassesses borrower profiles. Speech and sentiment analysis further sharpen understanding of customer intent, supporting timely and informed engagement.

Smarter Analytics, Faster Decisions

AI-powered analytics accelerate data exploration, uncover hidden patterns, and generate automated insights across sourcing, underwriting, and collections. This boosts the speed and precision of decision-making, allowing teams to act on real-time intelligence rather than retrospective data.

Continuous Evolution through Strong Governance

Our AI models evolve through continuous monitoring, recalibration, and integration of real-world portfolio outcomes to maintain accuracy and relevance. Robust governance frameworks, bias detection mechanisms, and explainable AI practices ensure fairness, transparency, and regulatory compliance at every stage.

Looking Back on 2025-26

Driving Progress through Inclusive Credit Delivery

Financial Performance

₹23,807 million

Income

₹6,556 million

Pre-Provision Operating Profit (PPOP)

₹1,703 million

Profit After Tax (PAT)

₹28,543 million

Equity

23.92%

Capital Adequacy Ratio (CAR)

3.34

Debt-Equity Ratio

10.27%

Cost of Funds (COF)

71.53%

Provision Coverage Ratio (PCR)

Operational Highlights

₹1,40,056 million

Assets Under Management (AUM)

₹94,184 million

Disbursement

1,670

Branches*

21

States and Union Territories

390

Districts

3.27

Active Borrowers*

15,735

Employees

17.5%

Non-JLG Share on AUM

***Branch Consolidation:** The reduction in branch count reflects a planned and measured consolidation. During the year under review, 91 branches were consolidated as part of the ongoing efforts to boost efficiency and optimise network productivity.

Sustainability Highlights

ESG-1+

Care Edge ESG Rating

756

E-Clinics

80.8

ESG Score

7

Times Great Places to Work-Certified

83.8

Social Score

82.2

Governance Score

64.9

Environmental Score

56

Branches with Solar Rooftop

We improved our ESG rating from 72.2 (CareEdge ESG 1) to 80.8 (CareEdge ESG 1+), reflecting well-rounded progress across environmental, social and governance parameters. This upgrade reinforces our continued commitment to advancing responsible, transparent and sustainable business practices.

Technology Enablement

2.02 million

Customer App Installations

33.9%

Digital Collection Share, Q4 2025-26

25.7%

Reduction in Loan Processing Turnaround Time (TAT)

Group Profile

Strengthening Reach across Underserved Communities

Muthoot Microfin Limited is a part of the Muthoot Pappachan Group (MPG) – a well-diversified Indian conglomerate. Guided by strong financial stewardship, integrity, and customer-centricity, the Group continued to expand reach, foster inclusion, and serve the underserved for over a century.

Our Group Stature

1887

Year of Inception

139

Years of Service to the Underserved

Strong

Promoter Profile

3rd

Generation Leadership

Our Group Portfolio

The Group channels its unified purpose of Empowering Human Ambitions across sectors that touch everyday life. Each business vertical is aligned to expand access, unlock opportunities, and support the evolving aspirations of India's middle- and low-income households.

Muthoot FinCorp

The Group's flagship and holding company, recognised for its leadership in gold lending

Muthoot Microfin

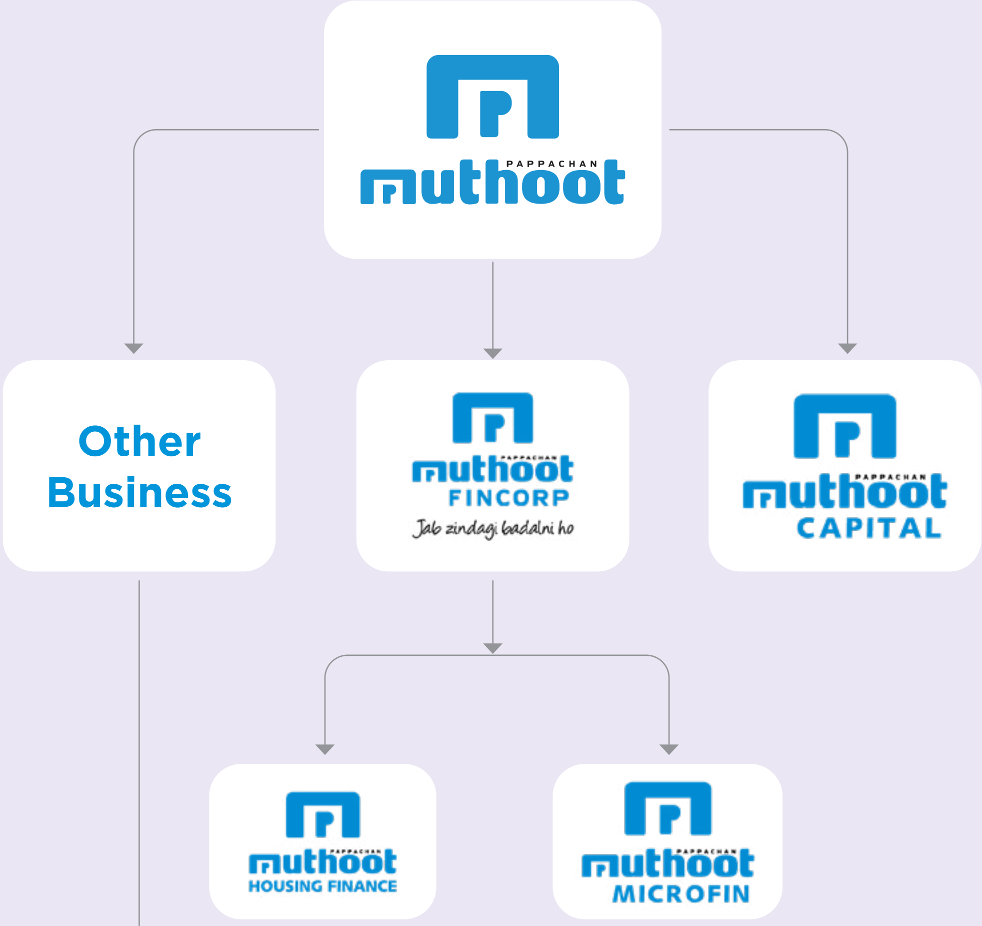
The second-largest financial services entity by AUM, focused on empowering women through microfinance

Muthoot Capital

The Group's listed vehicle financing arm, supporting mobility aspirations

Muthoot Housing Finance

Providing affordable home loans to low- and middle-income families



Our Sectoral Presence

- Financial Services
- Automotive
- Hospitality
- Real Estate
- Information Technology
- Infrastructure
- Precious Metals
- Renewable Energy

Growing through Group Synergies

- Benefitting from strong brand credibility, promoter backing, customer relationships, and market reach
- Leveraging in-depth understanding of rural women's needs to design relevant and accessible lending solutions
- Capitalising on shared customer insights to drive targeted cross-selling across products like group loans, Swasthya, and sanitation financing
- Facilitating operational efficiency and field execution
- Developing a unified digital platform to enhance customer experience and scalability

About Us

Empowering Lives through Smart and Inclusive Microfinance Solutions

At Muthoot Microfin Limited ('Muthoot Microfin', 'We' or 'Our Company'), our journey since 2011 has prioritised financial inclusion – extending smart, collateral-free lending to underserved women entrepreneurs. Building on this strong foundation, we are progressively expanding our offerings to address the evolving financial needs of our customers, including products such as MSME loan, retail secured loans such as two-wheeler, used commercial vehicle and gold loans, enabling us to serve them more holistically across life stages and requirements.

Leveraging digital capabilities and AI-driven risk management, we enhance efficiency, strengthen credit assessment, and deliver faster, more reliable services. Our relationship-led approach, deep grassroots understanding, and robust governance framework enable us to build trust and support sustainable livelihoods. By evolving into a more diversified, customer-centric financial services provider, we aim to empower our customers with comprehensive solutions, creating lasting social and economic impact aligned with national priorities and the Sustainable Development Goals (SDGs).

2nd

Largest Company by AUM under the Muthoot Pappachan Group

VISION

To be the most innovative and successful financial institution serving the needs of the underserved in a timely, transparent, and affordable manner.

MISSION

Transform the lives of 10 million households by 2030 by providing innovative financial solutions that enable economic independence, enhance livelihoods, and promote social equity.

Responsible Lending Driving Inclusive Growth

Our lending strategy centres on promoting financial and social empowerment for underserved women across rural and semi-urban India. We encourage collective responsibility and disciplined borrowing, helping our customers move steadily towards stronger financial inclusion.

Group Lending Model

Our Joint Liability Group (JLG) model offers collateral-free credit to underserved women organised in small, self-selected groups. We support entrepreneurship and financial empowerment through Income Generating Loans (IGL) and similar offerings, with joint responsibility helping ensure financial discipline and timely repayments.

6.65 million

Households Impacted as of March 31, 2026

Credit Distribution Mechanism

Our seamlessly integrated phygital ecosystem widens outreach, improves efficiency, and heightens transparency. Some of our initiatives are listed below:

- We have our own Mahila Mitra app for real-time onboarding, data capture, and stronger last-mile service delivery
- Leveraged geo-tagging, Aadhaar-based eKYC, and real-time bureau checks for robust verification and sharper credit assessment
- End-to-end digital loan management system for faster turnaround and process transparency

Responsible Credit Practices

Our focus on responsible lending remains non-negotiable. By strictly adhering to industry guardrails, following robust borrower protection norms, and undertaking prudent credit evaluation, we ensure sustainable portfolio quality and prevent over-leveraging. As a result, the share of Muthoot Microfin customers in the 'Own + 3 or more lenders' category came down year-on-year, while the proportion of customers with indebtedness above ₹ 2 lakhs also recorded a dip. This steady shift towards lower borrower leverage signals a strengthening risk profile and fortifies our commitment to responsible, trust-led financial inclusion.

3.3%

Portfolio % of Customers under the 'Own + 3 or More Lenders' Category in 2025–26

15.9%

Portfolio % of Customers under the 'Own + 3 or More Lenders' Category in 2024–25

0.8%

Customers with Indebtedness above ₹ 2 lakhs in 2025–26

Strategic Product Diversification

Our diversification strategy into scaling new product lines such as Individual Loans, Micro LAP, and Gold Loans remained on track during the year, with progress aligned to our stated roadmap and increasingly reflected in our portfolio mix. The share of non-JLG products has expanded, with the JLG to Non-JLG mix improving from 97:3 in March 2025 to 83:17 in March 2026.

82.5%

JLG Share of AUM in 2025–26

17.5%

Non-JLG Share of AUM in 2025–26

Geographical Diversification Driving Portfolio Strength

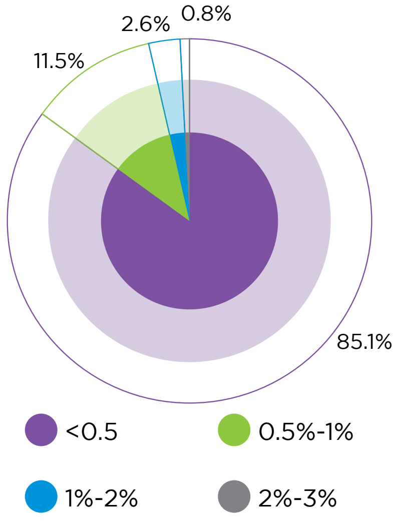
Our exposure concentration is carefully managed with a diverse presence across 1,670 branches and a widely dispersed district portfolio. This outreach ensures resilience and empowers communities to pursue livelihood, education, and healthcare aspirations with greater financial confidence.

Similarly, the loan portfolio remains geographically well-diversified, with the South continuing to anchor growth and stability. The region reflects deeper market penetration, well-established customer relationships, and strong momentum in individual lending, maintaining the overall resilience and balance of the portfolio.

Portfolio Concentration (Districts)

Top 1	3%
Top 3	7%
Top 5	11%
Top 10	19%
Other	81%

Exposure of Districts
(% of GLP)



Diversified Funding Mix

Our priority remains a well-balanced funding profile that strengthens financial stability and cost efficiency. We have built a diversified borrowing franchise comprising Banks, NBFCs, and development financial institutions, complemented by liability instruments such as Direct Assignments, Pass-Through Certificates, and External Commercial Borrowings. This multi-channel access to capital enhances liquidity management while optimising the overall cost of funds.

Mobilisation of Funds
(₹ million)

95,374

2025–26	95,374
2024–25	73,746
2023–24	92,416
2022–23	74,712
2021–22	47,365

Our Strong Capital Foundation

- During 2025–26, we significantly strengthened our funding profile, raising a total of ₹ 9,537 crores, compared to ₹ 7,375 crores in 2024–25, reflecting continued access to diversified funding sources and strong lender confidence
- Our fund mobilisation was well diversified, including ₹ 3,290 crores through PTCs at an average cost of 9.1%, ₹ 865 crores through secured, rated, listed NCDs, and ₹ 133 crores via ECB, with the balance raised through multiple instruments to optimise cost and tenor
- We achieved a meaningful reduction in borrowing costs, with the overall cost of funds declining from 11.02% in Q4 2024-25 to 10.27% in Q4 2025-26, supported by a calibrated shift towards efficient, faster rate-transmitting instruments
- Our liquidity position remained strong, with ₹ 8,815 million of liquid funds in hand and ₹ 31,552 million of unutilised / pending sanctions as of year-end

Our Credit Rating

Long-term Rating	CRISIL	A+/Positive
ECB Rating	CRISIL	A+/Positive
NCD Rating	CRISIL	A+/Positive
CP Rating	CRISIL	CRISIL A1+
MFI Grading	CRISIL	M1C1
Global Rating (GIFT City)	CARE Edge	BB-/Stable

🟦 Agency ⬜ Rating

As on Mar 31, 2026

Our Strategic Priorities

Geographic Diversification
Please refer to Page 20 for further updates

Product and Revenue Stream Expansion
Please refer to Page 14 for further updates

Stronger Governance and Risk Management
Please refer to Page 64 for further updates

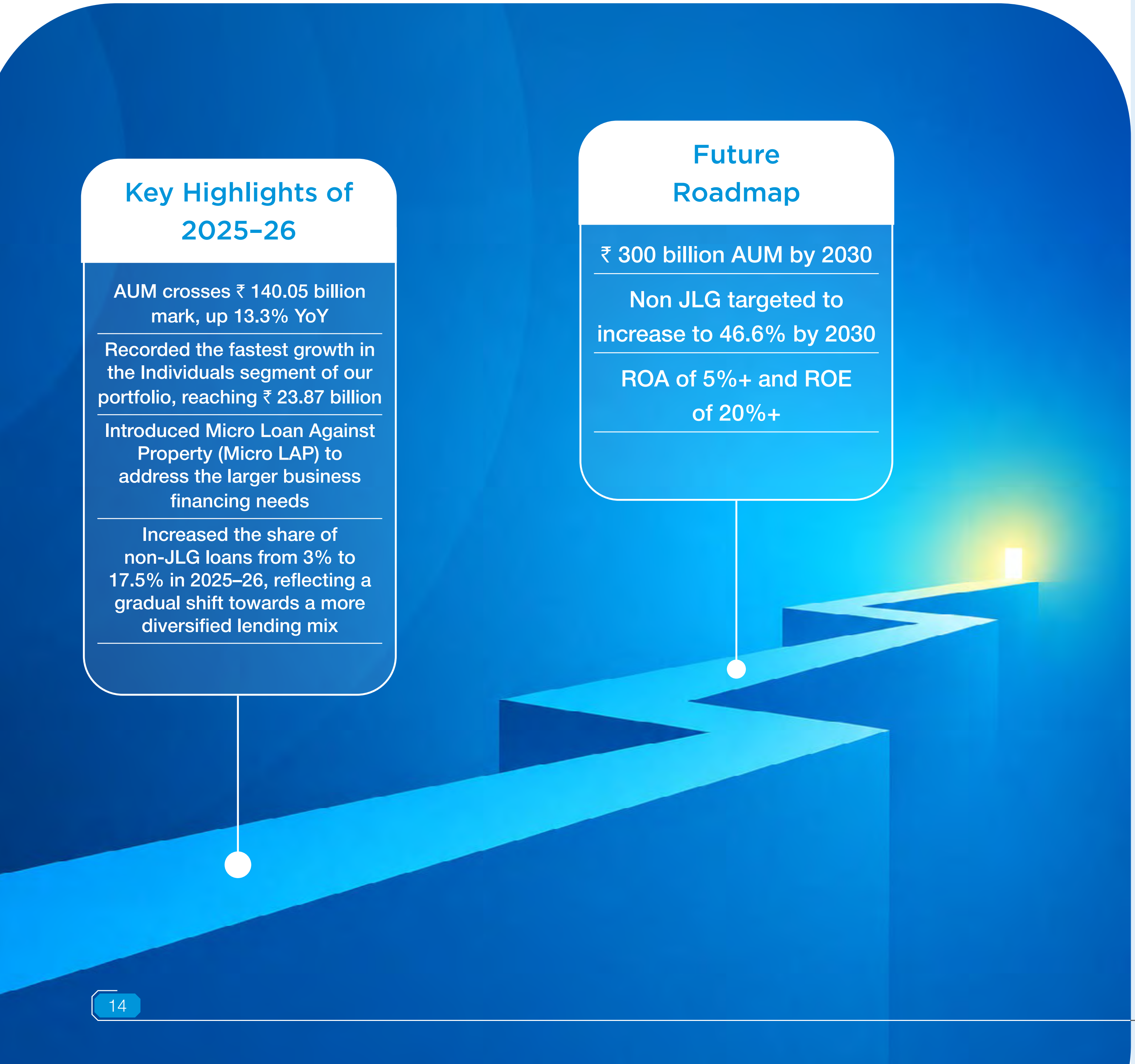
Digital and Process Transformation
Please refer to Page 50 for further updates

Our Solutions

Enhancing Stability through Targeted Lending

We bring a smart product portfolio that aligns with the evolving financial needs of underserved women entrepreneurs and promotes financial inclusion. Powered by digital enablement, we deliver responsible, need-based credit that improves financial stability and drives long-term economic empowerment.

Whether through income-generating loans that nurture micro-enterprises or requirement-led solutions that strengthen household resilience, we strive to provide our target segment with comprehensive support and real impact.



Key Highlights of 2025–26

- AUM crosses ₹ 140.05 billion mark, up 13.3% YoY
- Recorded the fastest growth in the Individuals segment of our portfolio, reaching ₹ 23.87 billion
- Introduced Micro Loan Against Property (Micro LAP) to address the larger business financing needs
- Increased the share of non-JLG loans from 3% to 17.5% in 2025–26, reflecting a gradual shift towards a more diversified lending mix

Future Roadmap

- ₹ 300 billion AUM by 2030
- Non JLG targeted to increase to 46.6% by 2030
- ROA of 5%+ and ROE of 20%+

Livelihood Solutions

Our Livelihood Solutions are designed to empower women with accessible, income-generating credit that helps them start or expand micro-enterprises across retail, agriculture, food processing, and services. Through a flexible suite of group-based loans, Pragathi support, and individual loans for long-standing customers, we support sustainable growth, dignity, and self-reliance.

Our Product Suite

- Income-Generating Loans
- Pragathi Loan
- Suvidha Loan
- Individual Loan

₹ 1,34,663 million **AUM**	₹ 5K-3L **Loan Amount**
₹ 90,312 million **Disbursements in 2025–26**	39,706 **Average O / S per Loan**

Key Features

- Collateral-Free Lending
- Joint Liability Group (JLG) Model
- Income-Generating Focus
- Multiple Loan Cycles
- Flexible Product Variants
- Structured Repayment Mechanism

Strategic Highlights

- Maintained healthy portfolio quality through focused underwriting, disciplined centre-level monitoring, and proactive collections
- Expanded outreach into under-penetrated districts, strengthening customer acquisition and geographic presence
- Achieved higher repeat lending cycles, reflecting strong customer retention and livelihood resilience
- Strengthened customer lifecycle strategy by shifting towards individual lending and increasing adoption of digital collections

> We are shaping a future-ready livelihood ecosystem powered by data and AI, enabling responsible lending, deeper customer engagement, and faster decisions. At the same time, we are strengthening individual lending, improving productivity, and delivering scalable, customer-centric growth across diversified rural income segments.

Life Betterment Solutions

Our Life Betterment Solutions are designed to upgrade the standard of living by facilitating credit access for essential needs, including education, mobile phones, solar lighting products, and household appliances. These targeted loans improve safety, convenience, and opportunity, supporting customers in building healthier homes, enhancing digital connectivity, and fostering a more secure ecosystem.

Our Product Suite

- Solar Lighting Product Loan
- Household Appliances Loan

₹ 635 million	₹ 2K-30K
AUM	**Loan Amount**
₹ 139 million	6,806
Disbursements in 2025–26	**Average O / S per Loan**

Key Features

- Purpose-Driven Financing
- Collateral-Free Access
- Affordable Ticket Sizes
- Structured and Convenient Repayment
- Quick Processing & Disbursement
- Quality-of-Life Focus

We see strong momentum in life betterment solutions, driven by rising aspirations and demand for asset-based financing in rural markets. By aligning product design with income cycles, we aim to fortify customer loyalty and augment lifetime value.

Health and Hygiene Loans

Our alignment with the national imperatives of improving sanitation and public health is reflected through purpose-built water and sanitation loans that encourage rural families to invest in essential hygiene infrastructure. From constructing household toilets to accessing safe water connections and purification systems, these solutions foster healthier environments, enhance dignity, and promote long-term wellbeing within communities.

Our Product Suite

- Sanitation Improvement Loan

₹ 3,929 million	₹ 15K-60K
AUM	**Loan Amount**
₹ 3,182 million	29,628
Disbursements in 2025–26	**Average O / S per Loan**

Key Features

- Improved Health Outcomes
- Responsible Credit Evaluation
- Affordable and Need-Based Ticket Sizes
- Purpose-Specific Financing

Strategic Highlights

- Promoted loans for sanitation infrastructure, including toilets and hygiene facilities
- Facilitated access to clean drinking water solutions to improve household well-being
- Financed essential medical expenses and preventive healthcare needs
- Partnered with community organisations to drive awareness and responsible loan utilisation
- Conducted targeted outreach to strengthen adoption and awareness of health-focused financing

As awareness around preventive healthcare and sanitation increases, we see health and hygiene financing emerging as a vital enabler of resilient communities. By scaling awareness and strengthening local partnerships, we aim to promote responsible borrowing while advancing our social mission and expanding access in underserved regions.

Secured Loans

Our MSME, LAP, and Gold-Backed Loans are structured to forge closer collaboration with seasoned customers by offering higher-ticket, secured financing solutions. These products provide the financial strength and flexibility required to accelerate business expansion, unlock asset value, and pursue growth opportunities.

Our Product Suite

- Business Correspondence
- Micro Lap
- High Ticket Loans
- Gold Loan

Key Features

- Higher Ticket Sizes
- Secured Lending Framework
- Flexible Tenure and Repayment Options
- Relationship-led Approach

Strategic Highlights

- Launched the MSME LAP product to support small business owners with larger credit requirements while fortifying portfolio resilience
- Extended credit to experienced borrowers with sound repayment histories, enhancing portfolio quality
- Strengthened valuation and risk assessment frameworks to deliver prudent and stable portfolio growth

₹ 830 million

AUM

₹ 30K-10L

Loan Amount

₹ 551 million

Disbursements in 2025–26

3,04,046

Average O / S per Loan

> We see secured lending emerging as a strong growth driver, led by demand for larger-ticket financing for business expansion and asset creation. By strengthening collateral practices and focusing on mature markets, we strive to augment portfolio diversification and deliver superior risk-adjusted returns.

Value-added Services

- NATCAT is an affordable insurance solution that protects borrowers against the financial impact of natural disasters such as floods, cyclones and earthquakes. Offering asset coverage of up to ₹ 1,00,000, it helps customers safeguard income-generating assets and recover more quickly from disaster-related disruptions.
- By reducing the financial burden of asset damage, NATCAT supports business continuity, preserves livelihoods and strengthens customers' ability to meet repayment obligations. The programme enhances resilience across our customer base while supporting the quality and stability of our loan portfolio.
- Access to quality healthcare remains a critical need in rural and semi-urban markets. Our E-Clinic programme addresses this gap by providing borrowers and their families with affordable teleconsultation services through certified doctors, enabling timely access to professional medical advice.
- Available across 756 branches, the programme reduces the time, cost and effort associated with seeking medical care, encouraging early diagnosis and preventive healthcare. By facilitating timely intervention, E-Clinics help improve health outcomes while reducing the financial burden that illness can place on households.
- Beyond healthcare access, the programme strengthens financial resilience by helping customers manage health concerns before they escalate into significant medical or income-related challenges. In doing so, E-Clinics create meaningful value for customers while deepening trust, engagement and long-term loyalty.

Presence

Expanding Reach for a Greater Impact

Building on our foundation in South India, particularly Tamil Nadu and Kerala, we have expanded to establish a pan-India presence in the microfinance landscape. Powered by AI-driven scorecards and vernacular voice-recording tools, our lending framework strengthens reach, risk management, and customer connect.

Key Highlights of 2025–26

- Forayed into Assam and expanded our presence in recently entered states such as Andhra Pradesh and Telangana
- Identified 91 underperforming branches, primarily in Uttar Pradesh and Bihar, for merger or closure to improve productivity and resource allocation

Geography-wise Portfolio Concentration

48.54%

South

Tamil Nadu: 25.60%
Kerala: 14.36%
Karnataka: 7.19%
Andhra Pradesh: 0.92%
Telangana: 0.48%

22.80%

North

Bihar: 9.18%
Uttar Pradesh: 8.19%
Punjab: 2.91%
Haryana: 2.14%
Uttarakhand: 0.30%
Himachal Pradesh: 0.09%

16.00%

West

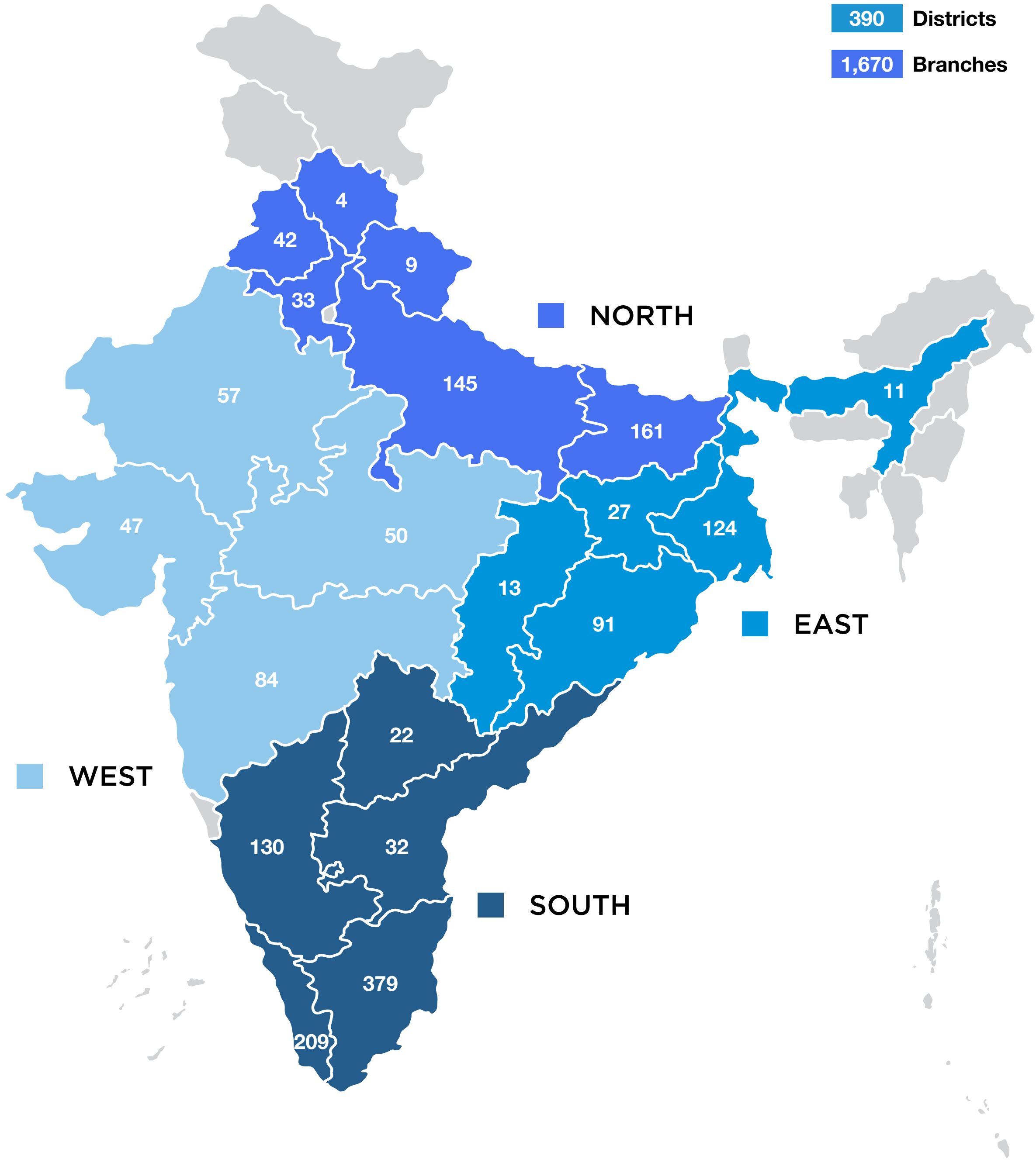
Maharashtra: 5.84%
Rajasthan: 4.30%
Gujarat: 3.62%
Madhya Pradesh: 2.24%

12.66%

East

West Bengal: 7.54%
Odisha: 3.61%
Jharkhand: 0.88%
Chhattisgarh: 0.47%
Assam: 0.16%

Number of Branches per State



Disclaimer: This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features / states do not necessarily reflect the actual position. Our Company or any of our Directors, officers or employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof. Our Company does not warrant or represent any kind of connection with its accuracy or completeness.

Milestones

Keeping in Step with Evolving Bharat

2011

Started by the promoters of the Muthoot Pappachan Group as a division of the flagship company Muthoot Fincorp Limited

2015

Received NBFC-MFI status from the Reserve Bank of India, effective March 25, 2015

2016

Raised ₹ 500 million from Creation Investments Capital Management

2017

- Crossed the milestone of acquiring 1 million clients
- Mobilised ₹ 150 million and ₹ 350 million in two separate funding rounds from Creation Investments

1 million Clients

2018

- Secured ₹ 2,200 million through a rights issue from existing investors, including MFL Promoters (₹ 351 million), Individual Promoters (₹ 1,567 million), and others (₹ 31 million)
- Raised an additional ₹ 300 million from Creation Investments Capital Management

2019

Earned an upgraded rating of A (Stable) from CRISIL for bank facilities and debt instruments

2021

- Launched the Mahila Mitra mobile application
- Generated an AUM of over ₹ 50,000 million
- Obtained ₹ 1.9 billion from GPC through preferential allotment

2022

- Sourced ₹ 1.9 billion and ₹ 818 million from GPC across two separate funding rounds
- Was awarded an upgraded rating of A+ (Stable) by CRISIL
- Crossed the 2 million customer mark
- Widened the branch network and surpassed 1,000 units

2023

Launched the IPO in December and witnessed strong investor interest, with the issue being subscribed 11.52 times

IPO

2024

- Procured USD 128 million through ECB
- Entered into Telangana and Andhra Pradesh

2025

- Achieved a CareEdge ESG score of 72.2, the highest rating tier
- Secured an e-KYC licence to enable Aadhaar-based customer onboarding
- Began operations in Assam
- Received a revised 'Positive' rating from CRISIL on long-term facilities / NCDs, reaffirming A+
- Was assigned a BB-rating for our dollar bonds by CareEdge Global
- Ventured into new lending segments, including Individual Loans, Gold Loans, and Micro-LAP

2026

- Strengthens Non-JLG portfolio, MSEL AUM crosses ₹ 23,000 million
- Secures ESG Score of 80.8 with CareEdge-ESG Rating 1+, the highest rating for an NBFC

Key Differentiators

Optimising Performance through Key Enablers

Harnessing the Muthoot Pappachan Group's legacy, we combine prudent credit risk architecture with technology-led execution. Our digital collection leadership and customer-centric solutions enable us to build a resilient, scalable, and responsible lending ecosystem that drives lasting growth.

A Strong Legacy Anchored by Promoter Support

We draw strength from the Muthoot Pappachan Group's rich legacy in financial services and its extensive grassroots presence across India. As one of the few NBFC-MFIs where the original promoters retain majority ownership, we benefit from their enduring commitment and strong alignment with our growth journey. We also harness the Group's strong branch network to facilitate Gold Loan referrals and co-lending opportunities, creating synergies without significant incremental operating expenses.

55.47%

Promoter Stake

Digital Collection Leadership

We are among the leaders in digital collections, with a growing share of repayments made directly through customers' bank accounts and digital channels. Our integrated ecosystem, comprising the customer app, field officer app, and backend systems, facilitates seamless and transparent repayment tracking. Digital-first offerings, such as Suvidha Loans, further simplify access to credit, making the borrowing journey faster, more efficient, and customer-friendly.

33.9%

Contribution of Digital Collections over Q4 2025–26

Smarter Underwriting Framework

We have strengthened our underwriting capabilities through a proprietary, AI-enabled framework designed to improve portfolio quality and credit decision-making. Our in-house credit scorecard, built on proprietary data and customer behaviour insights, enables sharper risk assessment and stronger correlation with actual credit performance.

1,893

Credit Officers

738

Collection Team's Strength

Customer-centric Offerings

We go beyond lending by offering solutions that enhance the well-being and resilience of our customers. Initiatives such as Natural Calamity Insurance and E-Clinics provide financial protection and access to healthcare services. These offerings strengthen customer relationships and support long-term financial stability.

44,101

Total NATCAT Claims Filed (2025–26)

98%

Claims Settlement Ratio

756+

Number of E-Clinics

AI-Powered Lending Intelligence

We are leveraging Artificial Intelligence (AI) to strengthen decision-making across the lending lifecycle, enabling faster, more informed, and context-aware credit evaluation. Through voice, image, and location intelligence, we enhance customer understanding, improve identity validation, and build deeper insights, particularly for new-to-credit segments. This technology-led approach supports faster turnaround times, stronger risk visibility, and a more seamless customer experience.

AI-driven Risk Assessment

Key Performance Indicators

Showcasing Progress through Operational Strength

We define progress through key performance indicators that demonstrate expanding scale and financial strength. Guided by smart lending and wider reach, these metrics reflect operational efficiency, resilience, and the ability to combine innovation with financial inclusion to foster lasting stakeholder value.

Operational Metrics

Branches
(Nos.)

1,670

2025–26	1,670
2024–25	1,699
2023–24	1,508
2022–23	1,172
2021–22	905

States and Union Territories
(Nos.)

21

2025–26	21
2024–25	20
2023–24	19
2022–23	18
2021–22	16

Districts
(Nos.)

390

2025–26	390
2024–25	388
2023–24	353
2022–23	321
2021–22	281

AUM
(₹ million)

1,40,056

2025–26	1,40,056
2024–25	1,23,567
2023–24	1,21,935
2022–23	92,083
2021–22	62,549

Disbursements
(₹ million)

94,184

2025–26	94,184
2024–25	88,725
2023–24	1,06,616
2022–23	81,045
2021–22	46,470

Active Borrowers
(₹ million)

3.27

2025–26	3.27
2024–25	3.43
2023–24	3.35
2022–23	2.77
2021–22	2.05

GNPA
(%)

3.89

2025–26	3.89
2024–25	4.84
2023–24	2.29
2022–23	2.97
2021–22	6.26

NNPA
(%)

1.14

2025–26	1.14
2024–25	1.34
2023–24	0.35
2022–23	0.60
2021–22	1.55

Financial Snapshot

Revenue
(₹ million)

23,695.7

2025–26	23,695.7
2024–25	25,616.9
2023–24	22,489.33
2022–23	14,463.44
2021–22	8,429.41

PPOP
(₹ million)

6,556

2025–26	6,556
2024–25	8,676.37
2023–24	7,543.81
2022–23	4,361.88
2021–22	1,758.74

PAT
(₹ million)

1,702.7

2025–26	1,702.7
2024–25	(2,225.23)
2023–24	4,495.83
2022–23	1,638.89
2021–22	473.98

EPS
(₹)

10.16

2025–26	10.16
2024–25	(13.29)
2023–24	30.92
2022–23	11.98
2021–22	3.97

Net Worth
(₹ million)

28,543

2025–26	28,543
2024–25	26,322
2023–24	28,044
2022–23	16,258
2021–22	13,366

Capital Adequacy Ratio
(in %)

23.9

2025–26	23.9
2024–25	27.9
2023–24	29.0
2022–23	21.9
2021–22	28.8

Collection Efficiency
(%)

93.97

2025–26	93.97
2024–25	93.62
2023–24	98.41
2022–23	95.83
2021–22	85.75

Management Message

Chairman and Non-Executive Director's Message

Our digital initiatives have further strengthened this impact. Our flagship Mahila Mitra app witnessed increased adoption, enabling seamless financial transactions, access to financial literacy resources and a wider suite of customer-centric services.

Dear Shareholders,

At Muthoot Microfin, our purpose has always extended beyond access to credit. It is about empowering individuals, strengthening livelihoods and creating pathways for lasting socio-economic progress. Guided by the enduring legacy and values of the Muthoot Pappachan Group, we have continued to build an institution anchored in trust, responsible lending and meaningful engagement with communities across rural and semi-urban India.

The year under review reaffirmed the strength of this foundation and the clarity of our long-term vision. Amid a dynamic operating environment, we remained focused on sustainable growth, prudent risk management, and the enhancement of customer relationships across our expanding network. Our theme, 'Smart Lending, Stronger Reach', captures this approach with precision. It reflects our commitment to combining prudent lending practices with technology-enabled efficiencies and wider market access, enabling us to serve our customers with greater relevance, responsibility and impact.

Microfinance Industry

The microfinance industry continues to play a critical role in advancing financial inclusion, particularly by reaching millions of women entrepreneurs across rural and semi-urban India who remain underserved by traditional banking.

2025-26 was a challenging yet transformative year for the industry. The industry continued to navigate the after-effects of a credit downcycle, driven by borrower overleveraging, tighter liquidity conditions and rising asset-quality pressures. This resulted in a period of stress recognition, balance sheet recalibration and moderated growth across the sector.

At the same time, this phase catalysed an important structural reset within the industry. The industry is moving decisively towards smarter and more responsible lending practices, supported by disciplined underwriting, risk-calibrated growth and stronger governance frameworks. The growing use of data-driven insights and technology-led risk management is further strengthening the foundation for a more resilient, transparent and sustainable microfinance ecosystem.

At Muthoot Microfin, we embraced this transition not merely as a period of adjustment, but as an opportunity to reinforce the fundamentals of our business. Our focus remains firmly on prudent lending, technology-enabled risk management, stronger customer selection and sustainable long-term growth.

Commitment to the Double Bottom Line

Our commitment to the double bottom line, integrating meaningful social impact with sustainable financial performance, remains the cornerstone of our business model.

Despite the transitional challenges in 2025-26, including industry-wide portfolio recalibration, cautious lending, and a clear shift towards quality-led growth, we remained focused on creating enduring value for all stakeholders: our customers, employees, partners, and shareholders.

On the social front, our impact continues to deepen, driving meaningful change across communities. We serve over 3.27 million active customers with an unfaltering focus on women's empowerment and advancing financial inclusion across rural and underserved regions. For us, access to credit is not merely a financial intervention. It is a means to strengthen enterprise, improve household resilience and create pathways for long-term socio-economic progress.

Our digital initiatives have further strengthened this impact. Our flagship Mahila Mitra app witnessed increased adoption, enabling seamless financial transactions, access to financial literacy resources and a wider suite of customer-centric services. Complementing this is our e-clinics initiative, which delivers telemedicine consultations through our branch network. The initiative has cumulatively facilitated ~15 lakhs consultations, significantly improving access to quality healthcare for underserved rural households.

In addition, our suite of offerings, including income-generating loans, sanitation financing, and protection-led products such as Griha Raksha and NATCAT insurance, continues to strengthen household resilience. Our Corporate Agent capabilities have further enabled us to deliver tailored insurance solutions that enhance financial security and risk protection for our customers.

We take pride in being a 'double bottom line' institution, where financial strength and social impact are deeply interconnected. This integrated approach has enabled us to navigate a challenging year with discipline and resilience, while staying committed to empowering women entrepreneurs, strengthening community resilience, and contributing meaningfully to India's inclusive and sustainable growth journey.

Financial Inclusion Institution of the Year

I am pleased to share that Muthoot Microfin has been recognised as the Financial Inclusion Institution of the Year. We also received the Responsible Finance for Sustainability award, instituted by ACCESS Development Services.

These recognitions are a meaningful affirmation of the work we continue to do at the grassroots. The Financial Inclusion Institution of the Year award acknowledges our continued efforts to empower customers, particularly women, through inclusive, accessible financial solutions. The Responsible

> "At Muthoot Microfin, our purpose has always extended beyond access to credit. It is about empowering individuals, strengthening livelihoods and creating pathways for lasting socio-economic progress."

Finance for Sustainability award reflects the depth of our sustainability-led initiatives, including solar-powered branches, sanitation financing, solar product loans, and our broader efforts to support customers to build more resilient and sustainable livelihoods.

Together, these honours reinforce our belief that responsible finance can be a powerful instrument of inclusion, resilience and long-term progress. They also strengthen our resolve to expand access to formal credit and a comprehensive suite of financial services for underserved communities, while creating impact that is both measurable and meaningful.

Inclusive Growth and Customer- Centric Initiatives

At Muthoot Microfin, inclusive growth is not merely an objective. It is embedded in the way we operate. We take pride in the fact that women remain at the heart of our customer universe. For millions of women across rural and semi-urban India, access to finance is often the first step towards enterprise, confidence and greater economic agency. Our role is to make that access more available, relevant and responsible. This commitment is mirrored within our organisation, with strong representation of women across field, operational, and leadership roles, creating an inclusive and empowering work environment

During the year, our Muthoot Mahila Mitra app witnessed strong adoption, with total app installations touching the 2.02 million mark. Digital collections surpassed 33.9% in Q4, improving convenience, security and accessibility for customers, including first-time smartphone users in rural markets. These digital interventions are helping us strengthen customer engagement while making financial services simpler, safer and more responsive.

In line with evolving customer needs, we accelerated the expansion of our non-JLG portfolio, including Individual Loans, Gold Loans, and Micro LAP.

Together, these initiatives reflect our continued focus on achieving stronger reach through smarter, technology-enabled engagement. More importantly, they ensure that financial inclusion remains not only scalable, but also responsible, relevant and sustainable.

Looking Ahead

As we look ahead, we remain optimistic about the long-term prospects of the sector. The industry is beginning to show early signs of stabilisation, and we expect a gradual return to growth, driven by disciplined lending practices, improved risk oversight, and the continuing structural demand for microcredit.

Our strategy going forward will remain anchored in smart lending and technology-led risk management. We will continue to deepen customer relationships, expand our secured and individual loan offerings, and leverage digital platforms, data intelligence and advanced analytics to improve efficiency, strengthen risk frameworks, and drive inclusion at scale.

In this context, we have launched Vision 30-30, an ambitious roadmap under which Muthoot Microfin aims to achieve ₹ 30,000 crores in AUM by 2030.

> “During the year, our Muthoot Mahila Mitra app witnessed strong adoption, with total app installations touching 2.02 million mark. Digital collections surpassed 33.9% in Q4, improving convenience, security and accessibility for customers, including first-time smartphone users in rural markets.”

> “Our strategy going forward will remain anchored in smart lending and technology-led risk management. We will continue to deepen customer relationships, expand our secured and individual loan offerings, and leverage digital platforms, data intelligence and advanced analytics to improve efficiency, strengthen risk frameworks, and drive inclusion at scale.”

This vision reflects our confidence in the strength of our business model, the scalability of our diversified product strategy, and our ability to create sustainable value. All this, while remaining true to our mission of empowering women and underserved communities.

Our ESG commitment will also continue to gain greater depth through robust governance oversight, responsible business practices and sustained community-focused initiatives.

In closing, I extend my sincere gratitude to our customers for their trust, our employees for their dedication, our Board and leadership team for their guidance, and our shareholders for their continued support. Together, we have navigated a challenging phase with discipline and resolve. As the sector moves towards a more balanced and sustainable growth cycle, Muthoot stands well positioned to build on its strengths, guided by smart lending, stronger reach, and technology-driven risk management. I am confident that we will continue to advance our journey of inclusive, responsible and sustainable growth.

ESG-1+

Care Edge ESG Rating

7

Times Great Places to Work-Certified

Best Regards,

Thomas Muthoot
Chairman and
Non-Executive Director

Management Message

Executive Director's Message

The outlook for the microfinance sector remains positive. Rising rural aspirations, increasing financial awareness and deeper digital adoption are expected to support gradual and sustainable growth.

Dear Shareholders,

At Muthoot Microfin, our journey has always been guided by a clear and enduring purpose: to empower women from underserved communities through responsible financial inclusion and livelihood support. Over the years, we have built a strong institutional foundation anchored in trust, disciplined execution and deep customer engagement across rural and semi urban India. As we continue to expand our presence and strengthen our capabilities, our commitment to creating sustainable socioeconomic impact remains central to who we are and how we grow.

Aligned with our philosophy of 'Smart Lending, Stronger Reach', we remained focused during the year on strengthening portfolio quality, enhancing operational resilience and delivering more responsive customer service across our network. Our approach combined prudent credit practices with deeper market penetration, enabling us to expand responsibly while staying closely aligned to the evolving needs of our customers.

At the same time, continued investments in technology, governance frameworks and process efficiencies have helped us build a more agile, scalable and future ready organisation. These efforts reinforce our ability to serve customers with greater relevance and discipline, while creating long term value for all stakeholders.

Microfinance Industry

India continues to stand out as one of the fastest growing major economies in the world, supported by resilient domestic consumption, sustained infrastructure investment, increasing formalisation and the rapid expansion of digital public infrastructure. Rising aspirations across rural and semi urban India are further strengthening demand for credit, entrepreneurship and formal financial services. While global uncertainties, including geopolitical tensions and commodity market volatility, remain watchpoints, India's strong macroeconomic fundamentals, stable banking system and well regulated financial sector provide confidence in the country's long term growth trajectory.

Within this environment, NBFCs continue to play an increasingly important role in India's development by extending credit to customer segments and geographies that remain outside the full reach of traditional banking channels. In this broader ecosystem, microfinance has emerged as a vital instrument of financial inclusion. It provides formal access to credit for low income households and empowers women entrepreneurs across rural and semi urban India to participate more actively in the economy. Beyond access to finance, the sector contributes significantly to livelihood creation, entrepreneurship and grassroots economic participation, making it an important driver of inclusive and broad based growth.

The year 2025-26 was, in many ways, a year of reset and gradual stabilisation for the microfinance industry. Following the challenges of the previous year, the sector moved from a phase of accelerated expansion to one focused on portfolio quality, borrower discipline and more sustainable lending models. Across the industry, institutions placed greater emphasis on responsible lending, prudent customer selection, affordability assessments and disciplined underwriting, with the objective of protecting borrower cash flows and reinforcing credit quality.

At the same time, the industry is evolving in the way it understands, assesses and serves customers. While the group based lending model continues to remain relevant, there is a clear movement towards more individualised credit evaluation, supported by better data availability, wider credit bureau coverage and stronger underwriting practices. This transition is helping lenders make more informed credit decisions while offering solutions better aligned with customer needs.

Although growth remained measured during the year, the sector showed clear signs of improving stability. This was further supported by stronger repayment behaviour, closer customer engagement and more structured risk management practices. The current phase of consolidation is strengthening the foundation of the industry and preparing it for a more resilient and sustainable growth cycle.

Encouragingly, the broader policy environment has also been supportive. The Union Budget 2026-27 highlighted the importance of credit linked livelihoods and allied agricultural activities, which are expected to support income diversification in rural areas and improve borrowers' repayment capacity. In addition, the Government's ₹ 20,000 crores credit guarantee support for the microfinance sector provides added confidence, enabling institutions to continue lending responsibly while managing risks effectively with greater assurance.

Looking ahead, the outlook for the microfinance sector remains positive. Rising rural aspirations, increasing financial awareness and deeper digital adoption are expected to support gradual and sustainable growth. Institutions that combine strong risk discipline, technology led processes and a deep understanding of customer needs will be best placed to grow responsibly, protect portfolio quality and create enduring impact.

> "India continues to stand out as one of the fastest-growing major economies in the world, supported by resilient domestic consumption, sustained infrastructure investment, increasing formalisation and the rapid expansion of digital public infrastructure."

Strengthening Risk Discipline through Technology

At Muthoot Microfin, 2025-26 was a year in which we consciously prioritised quality over quantity, with a clear emphasis on strengthening the core of our business. Our focus remained on portfolio quality, disciplined underwriting and robust recovery mechanisms, ensuring that growth stayed aligned with long term sustainability. Our specialised collections team, with a dedicated focus on 90+ days past due (DPD) accounts, played an important role in managing asset quality through structured and targeted recovery efforts.

As part of our efforts to strengthen the credit framework, we further enhanced our underwriting practices through a proprietary internal scorecard, developed using deep internal data and behavioural insights. This has enabled more granular risk segmentation, sharper credit decision making and better alignment with our overall portfolio strategy.

Technology has become a critical enabler in this journey. We continued to invest in technology led interventions to strengthen risk management capabilities and improve operational efficiency. Our enhanced Early Warning Systems (EWS) enable proactive identification of stress indicators, allowing timely interventions and supporting better portfolio outcomes. We have also embedded AI and ML models into our underwriting processes, bringing greater consistency, depth and objectivity to credit evaluation. These models are complemented by credit bureau data, enabling a more comprehensive and accurate assessment of customer risk profiles and repayment behaviour.

In parallel, we have strengthened our origination and servicing processes through geotagging, penny drop validation, Aadhaar based eKYC and real time bureau checks. These interventions have enhanced customer verification, improved credit assessment and brought greater discipline to the lending process. Our end to end digital loan management system has further improved turnaround times, increased process transparency and streamlined operations across the lending lifecycle.

Overall, our continued focus on risk discipline, supported by technology, data intelligence and process rigour, has strengthened the resilience of our portfolio. More importantly, it has positioned Muthoot Microfin to pursue growth with greater prudence, sharper visibility and long term sustainability.

Building a Balanced and Diversified Portfolio

A key strategic priority during 2025-26 was the progressive diversification of our lending portfolio. While the Joint Liability Group (JLG) model remains the foundation of our business, we have made meaningful progress in expanding into Small Enterprise Loans, SME Loan Against Property (LAP) and Gold Loans. This transition reflects our intent to build a more balanced, risk calibrated and customer relevant portfolio, while responding to the evolving financial needs of the households and enterprises we serve.

We witnessed strong traction in the Small Enterprise Loan segment, which grew to ₹ 2,387 crores, driven by a focused approach to high quality borrowers with credit scores of 700 and above. This has not only strengthened customer relationships but also contributed to improved portfolio quality and enhanced the overall resilience of our lending mix.

Over time, we intend to further broaden our product suite by introducing adjacent offerings such as vehicle finance and housing loans. This will allow us to serve customers across a wider range of financial needs and life stages, while strengthening our ability to grow within our existing customer ecosystem.

Alongside portfolio diversification, our geographic expansion strategy remained balanced and disciplined. During the year, we expanded into high potential markets such as Assam, Andhra Pradesh and Telangana, while continuing to deepen our presence in existing geographies.

> “We have also embedded AI / ML models into our underwriting processes, bringing greater consistency, depth, and objectivity to credit evaluation. These models are complemented by credit bureau data, enabling a more comprehensive and accurate assessment of customer risk profiles and repayment behaviour.”

At the same time, we undertook a focused branch rationalisation exercise, identifying 91 underperforming branches for consolidation or closure. This initiative enabled better resource allocation, improved operational productivity and strengthened branch level profitability.

As a result, we are steadily building a more optimised and strategically aligned franchise. It combines a diversified product portfolio, expanding geographic reach and stronger operating efficiency, positioning Muthoot Microfin to pursue sustainable and profitable growth in the years ahead.

Achievements

During 2025-26, we achieved an important milestone in improving our access to global capital markets and enhancing our governance credentials. Muthoot Microfin successfully listed its External Commercial Borrowing (ECB) programme on India INX at GIFT City, creating a platform to access diversified international funding sources. We also became the first microfinance institution in India to obtain a global credit rating, reflecting the strength of our business model, risk management practices and financial discipline.

These initiatives mark a significant step in broadening our funding avenues, improving financial flexibility and reinforcing our position as a leading and professionally governed institution in the Indian microfinance sector.

Strengthening Communities and Workforce

Beyond financial services, Muthoot Microfin remains committed to driving social impact and building an inclusive workplace. During 2025-26, we undertook multiple initiatives focused on community engagement, financial literacy and employee wellbeing. We continued to promote financial inclusion through targeted outreach programmes and workshops, including the JAGARAN Financial Literacy and Digital Empowerment Programme, which aimed to enhance awareness and bridge the digital divide in low income communities.

On our people strategy, we intensified our emphasis on employee wellbeing and inclusion, especially for women. Major initiatives included the HER platform for confidential support, an Employee Mental Health Cell and comprehensive health programmes focused on prevention and awareness. We also launched financial literacy sessions such as ‘Master Your Money’ and implemented structured feedback systems to improve the overall employee experience.

Together, these efforts reflect our commitment to empowering communities and fostering a supportive, inclusive workplace culture.

Strengthening the Foundation for Sustainable Growth

Our strategic initiatives during the year were complemented by a strong emphasis on governance, disciplined capital management and risk sharing mechanisms. Being part of the Muthoot Pappachan Group continues to provide us with a strong foundation of institutional strength, governance and financial stability, enabling us to navigate cycles with confidence.

Looking ahead, the microfinance sector is set for a steady and sustainable recovery, supported by improving borrower confidence and a stable regulatory environment. Our focus will remain on:

- Maintaining disciplined and responsible growth
- Deepening diversification across products
- Leveraging technology and AI for scale and efficiency
- Strengthening risk frameworks and portfolio quality

We are confident that the strategic actions undertaken in 2025-26 position us well to deliver consistent, high quality growth in the years ahead.

I would like to express my sincere gratitude to our customers, employees, lenders and shareholders for their continued trust and support. Together, we remain committed to building a resilient, responsible and future ready institution, creating sustainable value for all stakeholders.

Best Regards,

Thomas Muthoot John
Executive Director

Management Message

Chief Executive Officer's Statement

As we conclude 2025-26, I am pleased to report that Muthoot Microfin has achieved a clear and credible turnaround. We delivered consistent growth in Assets Under Management (AUM), recorded a strong recovery in profitability, significantly improved asset quality, and made meaningful progress in our diversification strategy.

Dear Shareholders,

2025–26 was a defining year for Muthoot Microfin—a year of resilience, revival, and strategic transformation. Against the backdrop of one of the most challenging periods in the recent history of the microfinance sector, your Company demonstrated remarkable resilience by restoring profitability, strengthening the quality of its portfolio, and laying the foundation for sustainable long-term growth.

As we conclude 2025–26, I am pleased to report that Muthoot Microfin has achieved a clear and credible turnaround. We delivered consistent growth in Assets Under Management (AUM), recorded a strong recovery in profitability, significantly improved asset quality, and made meaningful progress in our diversification strategy.

During the year, we successfully expanded beyond our traditional microfinance business by launching new product lines, including Individual Business Loans, Gold Loans, and MSME Loan Against Property (LAP). These strategic initiatives mark an important milestone in our journey towards building a more diversified, resilient, and future-ready financial services franchise.

This transformation was not driven by aggressive expansion, but by disciplined execution, prudent risk management, sharper operational focus, and an unwavering commitment to serving our customers responsibly. The resilience and dedication of our employees, the trust of our customers, and the continued support of our stakeholders enabled us to navigate the challenges successfully and emerge stronger than before.

The Microfinance Industry in 2025-26

2025–26 was also a year of transition and recalibration for India's microfinance industry. Following one of the most challenging periods in its recent history, the sector entered the year with a clear priority—restoring portfolio quality, reinforcing responsible lending practices, and rebuilding the foundations for sustainable growth.

The challenges that emerged during 2024–25 continued to influence the operating environment. Elevated borrower leverage in certain markets, persistent macroeconomic pressures, tighter liquidity conditions, and disruptions arising from miscommunication around proposed state-level legislative developments affected customer sentiment and repayment behaviour in some regions. Consequently, lenders adopted a more cautious approach towards credit expansion, resulting in a moderation in industry-wide disbursements.

Recognising the need for collective action, the industry's Self-Regulatory Organisations (SROs) introduced strengthened guardrails and enhanced self-regulatory frameworks to promote responsible lending, improve underwriting standards, and reinforce credit discipline across the sector. The industry consciously shifted its focus from pursuing rapid growth to strengthening portfolio quality, enhancing risk management, and preserving long-term sustainability.

In this evolving environment, institutions with strong governance, disciplined underwriting, robust risk analytics, diversified funding sources, and technology-driven operating models were better positioned to navigate the challenges and emerge stronger.

Vision 30-30 i.e. ₹ 30,000 crores AUM by 2030

Financial year 2026 also led to well calibrated and important strategic shift for Muthoot Microfin. During the year a well thought through diversification strategy was put in motion. I am happy to tell you that Muthoot Microfin being an early mover towards diversification of assets enjoys a distinct advantage to take full benefit of recent RBI regulatory relaxation in qualifying assets norms (from earlier 75% QA and 25% non QA to 60% QA and 40 Non QA).

The change in regulation allows microfinance industry to build a more stable and sustainable portfolio mix to weather the seasonal / cyclical disruption in Microfinance. I am glad to share with you being a part of Muthoot Pappachan Group, Muthoot Microfin enjoys a unique advantage having MPG group companies having vast experience in similar sphere, which gives us a huge advantage in developing product know how , technology and as well as infrastructure for new products . For example MML is offering gold loans to its customer in co-lending partnership with its parent Muthoot Fincorp Ltd , where MFL has the capacity to assess and store gold , meanwhile Muthoot Microfin helps customers to avail gold loan facility with cheaper rates and better services, without overleveraging them.

During the year Muthoot Microfin has made good progress in pivoting from mainly Joint Liability Group (JLG) lending company to become a more diversified and tech led retail financial services franchise. In 2024-25, 97% our portfolio consisted of JLG loans. Over the past year, we have made notable progress in expanding into secured and individual lending, with strong growth in Muthoot Small Enterprise Loans (MSEL) and MSME lending.

By the end of 2025-26, the portfolio composition had changed considerably, with the JLG book accounting for 82.5%, and non JLG book accounts for Loans for 17.5%.

Under our Vision 30k by 2030, we aim to build a ₹ 30,000 crores Assets Under Management (AUM) franchise by 2030, while consistently delivering a Return on Assets (RoA) of 5% or higher and a Return on Equity (RoE) of 20% or higher. We also aspire to positively impact 10 million lives by expanding access to responsible and inclusive financial services.

By 2030, we envision a well-diversified portfolio mix, with the JLG business AUM contributing approximately 53%, Muthoot Small Enterprise Loans around 33%, MSME lending about 10%, and retail lending approximately 3%. All this while making sure that we have 60:40 ratio of qualifying assets on balance sheet. This transformation represents a decisive shift from volume-led growth to a model of wallet share driven by vision of catering to 360 degree financial need a rural household . at the same time being a value-driven, quality-focused, and highly scalable model.

At its core, vision 30-30 is about understanding and catering to evolving needs of our microfinance households. Focusing on the life cycle of all the members of the household ,deepening wallet share, expanding into secured

> "Under our Vision 30-30, we aim to build a ₹ 30,000 crores AUM franchise by 2030, while consistently delivering a Return on Assets (RoA) of 5% or higher and a Return on Equity (RoE) of 20% or higher."

asset- and leveraging technology, data intelligence, and lifecycle-led engagement to deliver the right credit to the right customer at the right time, with minimal friction and maximum trust.

Financial Performance:

2025-26 marked a clear turnaround phase for our Company, as we emerged more resilient and better positioned following the challenges of the previous year.

From a financial perspective, the year reflected a gradual yet decisive recovery in both operations and performance. Total Income grew to ₹ 23,807 million, supported by improved business momentum and operational efficiencies. Profitability rebounded strongly, with Profit After Tax reaching ₹ 1,703 million for 2025-26, reflecting the impact of disciplined cost management and stabilising credit trends.

Asset quality metrics improved significantly during the year. Credit cost reduced from 9.4% in 2024-25 to 3.5% in 2025-26 coming in below our guided range of 4–6%. This outperformance was driven by our focused and strengthened recovery mechanisms, tighter underwriting standards, and enhanced monitoring frameworks. Our Gross Non-Performing Assets (GNPA) reduced from 4.85% to 3.89% as of March 31, 2026.

Notwithstanding these dynamics, our core financial indicators remained strong. Net Interest Margin (NIM) was sustained at 11.9%, while our Capital Adequacy Ratio (CAR) stood at a healthy 23.9%, comfortably above regulatory requirements. We also strengthened our balance sheet resilience by increasing the provision coverage ratio for Stage 3 assets to 71.5%, reflecting our continued focus on prudent provisioning, proactive risk management, and enhanced recovery preparedness.

Stronger Reach: Scaling with Discipline

During 2025-26, our Assets Under Management (AUM) reached ₹ 1,40,056 million. This represents a 13% growth that underscores both the resilience of our franchise and the effectiveness of our calibrated growth strategy.

In line with the evolving industry environment, our approach to expansion during the year was measured and disciplined, with a clear focus on strengthening the quality and efficiency of our network. We marked our entry into the North-East region with the launch of operations in Assam, taking our presence to 21 states and union territories, while continuing to maintain a strong rural focus with ~97.8% rural penetration.

Alongside expansion, we undertook a comprehensive branch rationalisation and cost-optimisation exercise to improve unit-level profitability. Following a detailed review of our network, we managed to consolidate 91 branches during the year. This initiative enabled more efficient deployment of manpower, enhanced branch productivity, and contributed to a more optimal and profitable branch mix.

By the end of 2025-26, our total network reached 1,670 branches, demonstrating a balanced strategy of selective growth and operational efficiency.

Our people remain at the core of our growth strategy. During the year, our workforce expanded to 15,735 employees, supporting both scale and service quality. We have also been consciously increasing the representation of women across our workforce, strengthening diversity. Improving customer engagement, and deepening our connect at the grassroots level. We further strengthened our customer franchise, with our client base reaching 3.27 million, supported by a healthy retention rate of 95%, reflecting strong customer trust and sustained engagement.

Importantly, 2025-26 focused on strengthening our franchise rather than aggressive expansion. Our strategy signals a move towards quality-driven growth, aligning our network, staff, and customer base with our long-term strategic goals.

Smart Lending: Strengthening Risk through Technology

A defining pillar of our strategy in 2025-26 was the deep integration of technology, data analytics, and on-ground expertise across every stage of the lending lifecycle. As we continue to diversify our product offerings, our approach to lending is increasingly anchored in technology-enabled underwriting, enabling us to scale responsibly while maintaining strong credit discipline.

During the year, we strengthened our capabilities through AI-led underwriting models, enhanced early-warning systems, and expanded digital collection platforms, all supported by real-time portfolio-monitoring dashboards. Complementing these initiatives, we built a proprietary in-house scorecard, with deep internal data and behavioural insights, which has enabled finer risk segmentation, sharper credit decisions, and closer alignment with our overall portfolio strategy. Together, these tools have enhanced credit decisioning, improved collection efficiencies, and reinforced governance across our operations.

What differentiates our model is the seamless integration of advanced technology with human intelligence. While our AI-driven systems leverage data from credit bureaus, scorecards, and account aggregators to assess borrower profiles, our field and credit officers continue to play a critical role through personal interactions and contextual understanding of customers. This hybrid approach ensures that lending decisions are both data-driven and insight-led.

We have implemented innovative processes to enhance underwriting accuracy. Customer interactions with Gen AI are digitally recorded in local languages and transformed into structured credit appraisal memos using AI. These memos follow a standardised set of questions to maintain consistency and thoroughness in assessment. Simultaneously, image-based analytics evaluate business activity and household conditions, adding further validation layers. Additionally, our integration with account aggregators allows analysis of banking behavior, cash flows, and savings patterns, supporting a more comprehensive evaluation of the customer's repayment ability.

Technology is equally embedded in our collections framework, facilitating seamless, efficient, and customer-friendly repayment mechanisms while enhancing monitoring and control. Collectively, these initiatives have significantly strengthened our ability to identify, assess, and manage risk dynamically, even as we expand into new products and geographies. Our approach to risk management, powered by AI, is not merely a technological upgrade; it represents a fundamental shift towards precision-led, insight-driven lending.

As we move forward, we will continue to leverage the combined strengths of technology, data, and our experienced field teams to build a robust, well-diversified portfolio that delivers stable and sustainable outcomes for all our stakeholders.

Diversification: Building the Next Growth Engine

As part of our strategic roadmap, 2025-26 marked meaningful progress in our diversification journey, aimed at building a more resilient and balanced business model. While our Joint Liability Group (JLG) lending remains the core of our operations, we have taken decisive steps to expand into complementary, higher-quality lending segments.

During the year, we introduced and scaled three key products—Individual Loans, Micro Loan Against Property (LAP), and Gold Loans. These offerings enable us to better serve our existing customer base as their credit needs evolve. This strategic expansion not only deepens customer relationships but also enhances our ability to cross-sell and improve lifetime value.

Following this approach, we have effectively launched our Gold Loan and Micro LAP businesses, representing a key move toward diversifying into secured lending products. These offerings are likely to enhance the overall portfolio balance, lower risk concentration, and enable stable, high-quality growth in the medium term.

Our diversification efforts are already reflected in the portfolio composition. The JLG-to-non-JLG mix improved from 97% in March 2025 to 83%:17% in March 2026. Over time, we are steadily progressing towards a more balanced portfolio mix of approximately 53% JLG and 47% non-JLG loans.

Our diversification strategy is therefore not just about expanding product lines; it is about future-proofing our business, enhancing portfolio resilience, and creating sustainable growth avenues for the years ahead.

Impact beyond Credit: Driving Social Transformation

Our mission extends well beyond lending; we are committed to creating meaningful and lasting social impact across the communities we serve. Through our operations, we continue to empower individuals, strengthen livelihoods, and improve quality of life.

During the year, we also expanded our focus on impact-driven financing, distributing ₹ 319 crores to initiatives in sanitation and solar loans, thereby contributing to improved living standards and sustainable development.

A significant recognition of our commitment to sustainable and responsible business practices came through our landmark CareEdge ESG Rating of 80.8 with the prestigious CareEdge-ESG 1+ designation — the highest ESG rating awarded to any Non-Banking Financial Company by CareEdge. This achievement reflects our strong focus on responsible finance, environmental stewardship, robust governance, and transparent business practices.

Together, these initiatives reflect our commitment to driving holistic development and creating impact beyond credit.

The Road Ahead: Building a Future-ready Institution

Looking ahead to 2026-27 and beyond, we remain confident in the long-term prospects of the microfinance sector and our capacity to expand sustainably and responsibly. As signs of industry stabilisation become evident, we anticipate 2026-27 will witness the start of a steady recovery in growth. Management aims for an AUM increase of 20% during this period, all while prioritising strong portfolio quality, disciplined credit management, and risk-adjusted returns.

Our strategy continues to be anchored in smart lending and technology-led transformation. We will deepen our investments in artificial intelligence, data analytics, and digital platforms to enhance underwriting, collections, operational efficiency, and decision-making. At the same time, we will continue to expand our diversified product portfolio, including secured and individual lending solutions, to better address the evolving needs and aspirations of our customers.

Customer-centric innovation and financial inclusion will remain central to our growth agenda. We will continue to strengthen our presence in underserved geographies, deepen customer engagement, and leverage technology to deliver seamless and accessible financial services. Underpinning all of these initiatives will be a continued focus on enhancing our risk management frameworks, with stronger predictive capabilities and data-driven insights to build a resilient and well-diversified portfolio.

2025-26 reaffirmed our belief that sustainable growth in financial services must be built on discipline, data, and purpose. Over the course of the year, we used the opportunity to reset, rebuild, and reimagine our business, emerging stronger, more agile, and better prepared for the future.

On behalf of the leadership team, I would like to express my sincere gratitude to our customers, employees, lenders, and shareholders for their continued trust and support. Together, we remain committed to building an institution that delivers consistent financial performance and creates meaningful and lasting social impact.

Best Regards,

Sadaf Sayeed
Chief Executive Officer

Awards and Accolades

Blending Achievements with Grassroots Impact

We received the WASH Awards at the Sa-Dhan Conclave'24 for driving meaningful change in sanitation and water accessibility for underserved communities

We were honoured at the ET NOW Awards as the 'Best Organisation for Women 2025'

Won Best Financial Inclusion Initiative at NBFCs Tomorrow Conclave and DNA Awards 2025

Awarded the ESG Gold for Excellence Award for outstanding commitment to ESG excellence and sustainable business practices.

Won Financial Inclusion Institution of the Year Award at ACCESS Assist Conference 2026, organised in association with the Ministry of Finance and HSBC

Won TransUnion CIBIL Best Data Quality Award – Microfinance Institutions Segment

Certification

We were recognised among India's Top 50 Best Workplaces™ in BFSI 2026 by the Great Place To Work Institute

We retained our Great Place To Work® certification for the seventh time, reflecting our continued commitment to fostering a culture of trust, pride, teamwork, credibility and reliability.

Ratings

We secured an ESG score of 80.8 in the NBFC–MFI category from SEBI-licensed ESG rating provider CareEdge Ratings Limited, outperforming industry medians across ESG pillars.

Muthoot Microfin wins Sustainability Excellence – Responsible Finance & ESG Leadership Award

Value Creation Model

Powering Value Creation through Smart Lending

We drive progress through a strong branch network, a diversified microfinance portfolio, and a robust financial base. By integrating technology with competent talent, community engagement, and sustainable relationships, we amplify operational excellence, sharpen risk management, and create enduring value.

Inputs that Enable our Growth

Branch Network

A strong branch network across rural and semi-urban markets forms the backbone of our operations, facilitating last-mile access and close community engagement.

Product Range

A diversified microfinance product suite, including income-generating loans, Individual Loans, and financial inclusion services allows us to sustain momentum.

Customer Relationships

A sustained focus on forging close collaborations with women borrowers through JLGs enables us to build trust, promote financial discipline, and strengthen repayment culture.

Talent Competence

A dedicated workforce drives our mission of financial inclusion. Through strong field engagement, reliable community connections, and continuous skill enhancements, they facilitate responsible lending and cultivate trust-based relationships with the communities.

Financial Capital

A broad-based pool of funds from multiple sources supports our lending activities and investment needs.

Infrastructure Capital

A robust corpus is available to establish a pan-India presence.

Intellectual Capital

A sound brand reputation, well-defined processes, continuous innovation, and cutting-edge technology platforms drive operational excellence.

Human Capital

A blend of collective expertise, experience, and capabilities of our employees, supported by effective leadership, accelerates our progress.

Social and Relationship Capital

A mix of well-established relationships with borrowers, regulators, lenders, investors, communities, and development institutions strengthens our social equity.

Natural Capital

A combination of responsible resource use and environmentally sustainable practices bolsters our commitment to stewardship.

Our Value Creation Ecosystem

Our Business Process

Street survey

Orientation meeting

E-KYC

Credit evaluation

Loan sanction and disbursement

Centre meeting

End use check

Key Drivers of the Business

Social Trends

- Rising aspirations among rural women
- Growing demand for livelihood financing
- Increasing awareness of financial inclusion

Economic Conditions

- Rural income dynamics
- Employment generation
- Inflation and cost of living pressures

Market Dynamics

- Expanding microfinance penetration
- Digital adoption in financial services
- Competitive lending environment

Stakeholder Ecosystem

- Borrowers and Joint Liability Groups
- Employees and Field Officers
- Banks and Financial Institutions
- Investors and Shareholders
- Regulators and Industry Bodies
- Technology Partners
- Communities and Civil Society Organisations

Outputs in 2025-26

Financial Capital

- Income: ₹ 23,807 million
- AUM: ₹ 1,40,056 million
- Active borrowers: ₹ 3.27 million
- Capital adequacy: 23.9%

Infrastructure Capital

- Network strength: 1,670
- New geographies entered: Assam

Intellectual Capital

- Reduction in paper use: 90%
- Digital collection share: 33.9% (Q4)
- Better asset quality

Human Capital

- Total employee count: 15,735
- Female RO % of Total RO: 11.74%

Social and Relationship Capital

- E-clinics: 756+
- Health consultations (2025–26): 4,38,000+
- Financial literacy workshops conducted: 360+
- CSR spend: ₹ 33.77 million
- Enhanced digital repayment through Mahila Mitra and QR channels

Natural Capital

- Solar-enabled locations in 2025-26: 56
- Renewable energy share in 2025-26: 1.58%
- Improved energy intensity: 0.71%

Operating Environment

Driving Disciplined Growth through Strategic Advantages

We boost rural credit access through an expanding branch network and community-led lending model. Deploying AI-led underwriting, digital collections, and cutting-edge analytics, we elevate operational efficiency and borrower experiences. This phygital operating model, coupled with regulatory compliance, supports disciplined growth.

Strengthening Rural Credit Demand

Demand for formal credit is increasing due to rising rural consumption and income recovery, with rural India accounting for nearly 80% of the MFI loan book and covering more than 90% of districts.

Our Response

With ~98% rural penetration, we continue to deepen financial inclusion by evolving alongside our customers' aspirations and changing needs. As household incomes rise, we are diversifying our product portfolio to support customers across different stages of their financial journey, enabling greater access to relevant financial solutions.

Source: Economic Times

Improving Borrower Discipline and Portfolio Quality

The microfinance sector is witnessing improving repayment behaviour, with PAR levels moderating and newly originated portfolios demonstrating stronger credit discipline.

Source: SIDBI

Our Response

We strengthen borrower discipline and portfolio quality through a combination of community-led accountability, regulatory guardrails, and technology-driven underwriting. Our JLG model encourages responsible borrowing, while strict exposure limits prevent over-leveraging. Supported by AI-driven tools, in-house scorecard, leading-edge analytics, detailed credit appraisal and rigorous collection systems we ensure robust portfolio monitoring and sustainable credit growth.

Strengthening Regulatory Framework

The introduction of regulatory guidelines from MFIN and Sa-Dhan is promoting responsible lending by limiting borrower leverage and encouraging prudent portfolio management across the microfinance sector.

Source: MFIN India

Our Response

We embed industry safeguards into our lending practices to ensure compliance and promote responsible lending. Our measures include limiting the number of lenders and borrower exposure, applying strict sourcing filters, assigning Unique Customer Identification Codes (UCIC) for borrower tracking, and conducting real-time credit bureau checks.

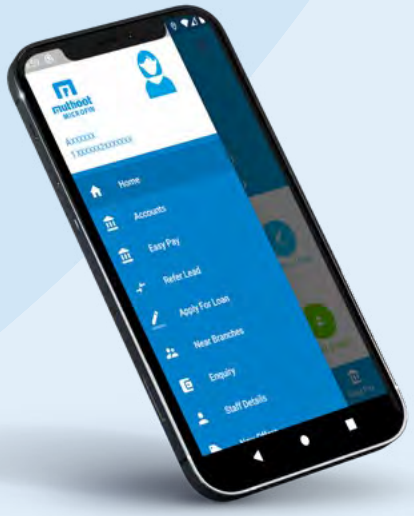
Digitalisation Transforming Microfinance Operations

Technology adoption is reshaping the microfinance landscape, enabling faster credit appraisal, better borrower insights, and operational efficiency.

Source: Knight Fintech

Our Response

We are strengthening our phygital operating model by integrating our extensive branch network with digital platforms such as the Mahila Mitra app and an in-house Loan Management System. AI-led underwriting, vernacular voice-based credit assessments, and cutting-edge data analytics enhance credit evaluation and decision-making. Simultaneously, digital collections through UPI and E-NACH improve efficiency, reduce turnaround times, and elevate the overall customer experience.



Liquidity Recovering in the Sector

While funding to NBFC-MFIs declined during the year, signs of recovery are emerging through improved disbursement trends and sector-wide liquidity support initiatives.

Source: CRIF High Mark

Our Response

We maintain a strong and balanced funding structure by tapping a mix of public and private sector banks, NBFCs, foreign lenders, and retail investors. Alongside institutional borrowings, we utilise market-linked instruments such as Pass-Through Certificates (PTCs), Direct Assignments, Commercial Papers, and External Commercial Borrowings (ECBs) to optimise our funding base and manage our asset-liability profile. Supported by improved credit ratings and a strong liquidity buffer, this diversified approach reduces borrowing costs, ensures adequate liquidity, and supports sustainable business growth.

Stakeholder Engagement

Strengthening Engagements for Shared Progress

We engage continuously with stakeholders across multiple channels, making informed decisions that create shared value and drive sustainable progress. Through financial literacy, responsible lending, inclusive workplaces, ethical governance, and social programmes, we foster transparency and build trust.

Our Stakeholder Universe

Shareholders and Investors

What We Deliver
- Long-term value creation and responsible growth
- Transparent disclosures and regular updates
- Strong governance and ethical practices

How We Engage
- Investor / analyst calls
- Quarterly results and announcements
- General meetings
- Annual report
- Media releases
- Website
- Branch visits

Frequency

Ongoing, quarterly, and annually

Employees

What We Deliver
- Inclusive and growth-oriented workplace environment
- Gender equity initiatives such as Pink Hiring and HER programmes
- Training, skill development, and career growth opportunities
- Performance-driven and innovative work culture

How We Engage
- SMS
- Phone
- E-mail
- Website
- HRMS platform
- Training programmes

Frequency

As required

Customers

What We Deliver
- Affordable financial solutions tailored for rural customers
- Support through NATCAT and e-clinics
- Doorstep services with simplified e-KYC and easy credit access
- Financial literacy initiatives promoting self-reliance

How We Engage
- SMS
- Phone
- Website
- Credit meetings
- Branches

Frequency

Ongoing and as required

Regulatory Bodies and Government

What We Deliver
- Compliance with applicable laws and regulations
- Support for national initiatives, including financial inclusion and Swachh Bharat
- Adherence to ethical standards and industry best practices

How We Engage
- SMS
- Phone
- E-mail
- Website
- Regulatory reporting
- Meetings

Frequency

Continuous and as required

Lenders, Insurers, Rating Providers, Media, and Business Partners

What We Deliver
- Transparent and trust-based partnerships
- Commitment to strong credit discipline
- Timely and accurate information sharing

How We Engage
- SMS
- Phone
- E-mail
- Meetings
- Website

Frequency

Periodic and as required

Communities

What We Deliver
- Inclusive growth through microfinance and social initiatives
- Programmes focused on health, sanitation, education, and skill development
- Support for women-led community empowerment

How We Engage
- SMS
- Phone
- E-mail
- Meetings
- Website

Frequency

Ongoing and as required

Materiality Assessment

Promoting Responsible Growth through Smart Choices

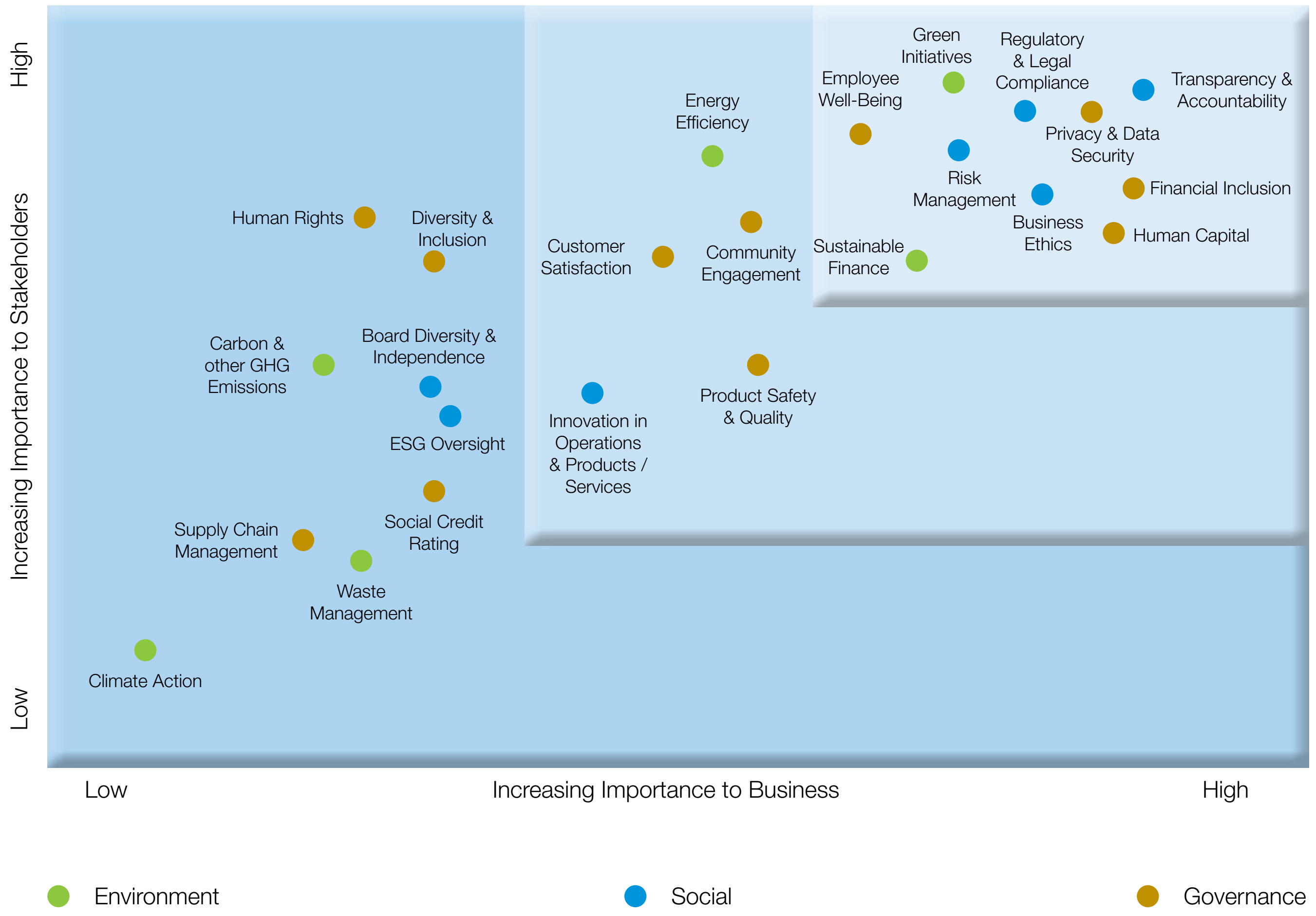
We conducted a comprehensive materiality assessment covering ~24 ESG topics, which drives our ESG strategy and disclosures. These material priorities guide integration across processes and systems, boosting oversight while propelling our trajectory towards a sounder ESG framework.

Embedding Materiality into ESG Execution

In 2025–26, we moved from identifying ESG priorities to embedding them within operations. Material ESG themes were integrated into our MIS and linked to KPI tracking and risk registers. Dedicated dashboards, aligned with internal scorecards and audit frameworks, were deployed for more structured monitoring.

We also began reassessing our material topics in response to evolving stakeholder expectations and regulatory changes. As we progress along our ESG roadmap, we are moving towards a double materiality approach to fortify evaluation of financial risks as well as wider environmental and social impacts.

Materiality Matrix



Ranking of Material Topics based on Stakeholders' Responses

High Priority	Medium Priority	Low Priority
Sustainable Finance	Energy Efficiency	Carbon & other GHG Emissions
Green Initiatives	Customer Satisfaction	Climate Action
Privacy & Data Security	Product Safety & Quality	Waste Management
Human Capital Development	Community Engagement	Diversity & Inclusion
Financial Inclusion	Innovation in Operations & Products / Services	Supply Chain Management
Employee Well-Being		Social Credit Rating
Regulatory & Legal Compliances		Human Rights
Transparency & Accountability		Board Diversity & Independence
Risk Management		ESG Oversight
Business Ethics		

*Peer analysis includes Arohan Financial Services, Muthoot Finance, Annapurna Finance, Spandana Sphoorty, Fusion Microfinance and CreditAccess Grameen.

Note: The scoring for each topic is based on the increasing importance to Muthoot Microfin stakeholders and management.

Technology Impact

Tapping into Technology for Financial Empowerment

We deploy digital and AI-driven tools to enhance lending efficiency, borrower convenience, and portfolio performance. Our phygital operating model optimises credit underwriting, accelerates onboarding, and provides end-to-end loan servicing, enabling us to financially empower more women entrepreneurs.

Key Highlights of 2025–26

- Transitioned from third-party tools such as Equifax to a proprietary in-house credit scorecard; this internally developed model demonstrates a stronger correlation with portfolio performance, enabling more accurate risk assessment.

Initiatives in Progress

- Integrate Account Aggregators to analyse real-time bank account activities, including credits, debits, and savings patterns, facilitating more prudent lending decisions
- Adopt GenAI technology to record vernacular conversations during field visits, automatically converting them into English text to generate standardised credit appraisal memos

Strengthening Lending and Risk Management

We strengthened our lending and risk management framework by integrating the Account Aggregator ecosystem, AI-led credit appraisal, and advanced analytics platforms. These capabilities sharpen income assessment, improve underwriting precision, and provide real-time portfolio visibility, amplifying credit quality and risk management.

Advancing Financial Inclusion through Digital Platforms

We bolster financial inclusion through our digital initiatives. The Mahila Mitra mobile application, with over 2 million users, serves as a key interface across the customer lifecycle. It offers seamless access to loan information, repayment tracking, and account services, empowering customers and enhancing transparency.

Digitising Field Operations

We consistently transform our field operations through digital onboarding and authentication solutions. With E-KYC, E-signing, bureau integrations, and automated eligibility checks, we significantly improved efficiency and reduced turnaround times. Cutting-edge authentication tools such as face matching and liveness detection further strengthen fraud prevention and ensure regulatory compliance, empowering our frontline teams.

Enabling Seamless and Accessible Payments

We expanded our digital payment ecosystem through BBPS, UPI mandates, E-NACH, Axis Easy Pay, and QR-based solutions, providing secure, flexible, and convenient repayment options. Moreover, these initiatives promote cashless transactions and strengthen repayment discipline, particularly in underserved regions.

Embedding Data-driven Underwriting

We leverage advanced analytics, credit bureau insights, and internal behavioural models to bolster underwriting decisions. These capabilities allow us to better assess borrower capacity, identify exposure across lenders, and prevent over-leveraging, ensuring a more disciplined and data-driven credit approach. Technology-led early warning systems and real-time dashboards allow us to continuously monitor portfolio health. Tracking of customer behaviour and repayment trends enables early risk identification, leading to timely corrective action, improvement in collections efficiency, and preservation of portfolio quality.

Building a Future-ready Technology Roadmap

Looking ahead, we strive to scale our digital ecosystem through stronger AI integration across lending, customer engagement, and field operations. Our planned initiatives, including AI-enabled customer platforms, automated credit memo generation, and field productivity tools, are set to fortify data-driven decision-making, streamline processes, and accelerate turnaround.

CASE STUDY

DRIVING DIGITAL REPAYMENTS

Our Individual Loan portfolio is at a 100% digital repayment model through E-NACH and UPI mandates. This shift has enabled a ~90% average on-time repayment rate as on March 31, 2026, significantly outperforming the broader retail lending industry and strengthening repayment predictability across our portfolio.

Brand and Marketing Impact

Combining Grassroots Outreach with Digital Engagement

We drive our brand purpose by supporting women entrepreneurs and underserved communities across Bharat. Through community programmes, narrative-driven campaigns, and multi-channel interactions, we strengthen visibility, foster loyalty, and expand reach, building an emotional connect with our customers.

Marketing also serves as a key growth lever, shaping customer quality and strengthening long-term relationships. By combining education-led communication with data-driven targeting and digitally enabled personalisation, we promote responsible credit behaviour while delivering scalable, high-impact customer experiences.

Building Trust through Financial Enablement

We focus on equipping our customers with practical financial knowledge that supports informed decision-making while forging lasting partnerships. In doing so, we ensured the following set of impacts:

- Delivered 320 structured financial literacy and awareness programmes in regional languages across our operating geographies through JAGARAN
- Engaged communities through 756 branch-led e-clinics and health camps
- Created awareness around UPI, digital transactions, and the risks of over-leveraging
- Collaborated with Sa-Dhan and MFIN to reinforce responsible and ethical lending practices

Outcome

Improved financial awareness

Disciplined borrowing behaviour

Stronger customer retention

Enhancing Visibility across New Markets

We ensure brand consistency while adapting to local contexts as we expand into new geographies such as Assam and diversify our offerings. Our strategy includes communicating in regional dialects and positioning our branches as engagement hubs where Relationship Officers drive awareness and digital adoption. At the same time, we leverage AI-led personalisation to tailor messaging to specific customer segments and highlight milestones such as e-KYC enablement, fostering trust in our systems and processes. The presence of our leadership on professional platforms further strengthens credibility, boosting customer confidence as we scale into new markets.

Amplifying Reach through Digital Connect

We are strengthening our digital presence to enhance brand visibility, communicate our impact more effectively, and foster deeper engagement with stakeholders. Through focused digital initiatives, we aim to amplify awareness of our mission, showcase our contributions to financial inclusion, and reinforce trust in our brand.

Key Focus Areas

- Driving adoption of Digital Tools
- Strengthen Brand-Building Initiatives
- Enhancing Stakeholder Engagement
- Showcasing Our Social and Economic Impact

Platforms Leveraged

WhatsApp

Facebook

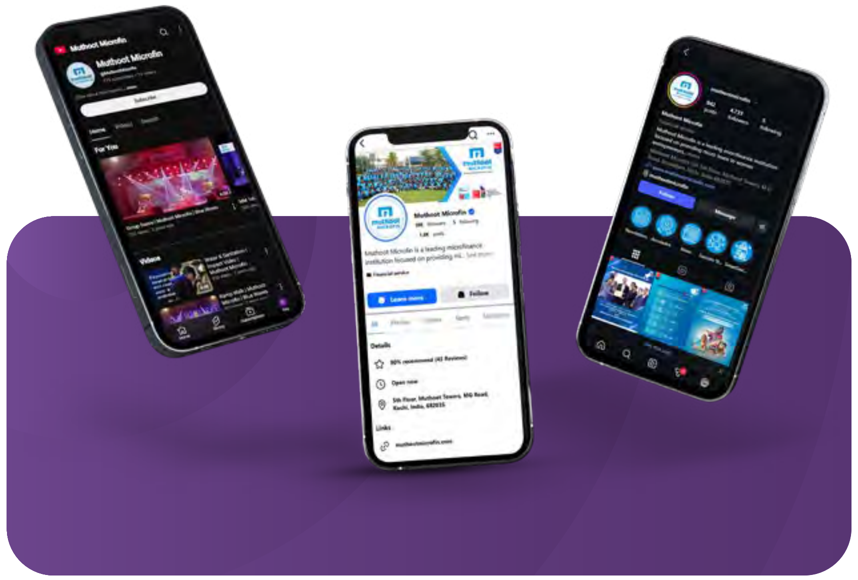
Instagram

X

LinkedIn

YouTube

SMS



Environment

Embedding Climate-conscious Practices for Future Resilience

We integrate environmental responsibility into our growth strategy, using sustainable practices to steer operations. Through resource efficiency, green initiatives, and increased digitalisation, we reduce our carbon footprint, manage climate risk, augment efficiency, and propel shared development.

Advancing our Net Zero 2040 Roadmap

We pursue our Net Zero ambition through a phased and execution-driven roadmap that strengthens emissions management over time. In 2025–26, we focused on building a solid base by enhancing Scope 1 and Scope 2 emissions tracking and expanding Scope 3 coverage. At the same time, we accelerated renewable energy adoption and bolstered governance through ESG MIS integration, internal audits, and external assessments.

Medium-term Priority

Reducing emission intensity through operational efficiencies and cleaner energy adoption

Long-term Goal

Aligning with global frameworks and evaluating science-based targets to further cement our decarbonisation pathway

Nil

Scope 1 Emissions

12,049.07 tCO_2e

Scope 2 Emissions

Scaling Renewable Energy and Improving Energy Efficiency

We increased adoption of solar energy in a phased manner, aligned with the ESG roadmap.

56

Solar-enabled Locations in 2025–26

1.58%

Renewable Energy Share in 2025–26

We scaled energy efficiency initiatives during the year. By installing LED retrofits and high-efficiency air-conditioning systems, alongside stringent branch-level energy audits, we lowered emissions and improved cost efficiency, enhancing alignment with our Net Zero pathway.

0.71%

Improved Energy Intensity

Reducing Paper Consumption through Digitalisation

We consistently cut down paper consumption by expanding digital onboarding, servicing, and internal workflows. These initiatives improved process efficiency, reduced turnaround time, and enhanced data traceability, while also lowering indirect emissions associated with printing and logistics.

Integrating ESG into Lending and Livelihood Impact

We align our environmental initiatives with our lending model to drive both impact and resilience at the customer level. During the year, we supported access to essential services and clean energy solutions, strengthening climate-resilient livelihoods. We also introduced an ESG Underwriting Scorecard to embed sustainability considerations into credit evaluation. Going forward, we remain focused on reducing our operational footprint while ensuring climate-resilient outcomes for our customers.

Social: Customers

Serving the Underserved with Stronger Reach

We extend tailored, transparent financial solutions and dependable services to underserved communities, harnessing strong field relationships and digital sophistication. Our AI tools facilitate data-driven targeting, enabling us to reach a broader spectrum of customers with precise and inclusive financial interventions.

Continuous Customer Engagement

We maintained close engagement with our customers through regular centre meetings, field interactions, and community outreach. These touchpoints provide continuous visibility into livelihood patterns, household priorities, and financial challenges, helping us stay aligned with customer needs across rural and semi-urban markets.

Extending Relationships beyond Credit

We engage with customers beyond loan disbursement and repayment through financial literacy sessions, awareness campaigns, and digital outreach. Mobile-based communication provides timely reminders, strengthens repayment discipline, and supports long-term relationships, contributing to improved retention and portfolio stability.

360+

Financial Literacy Workshops Conducted

4,38,000+

Health Consultations (2025-26)

Embedding Customer Feedback into Decisions

We capture customer feedback through field visits, centre meetings, grievance redressal mechanisms, and periodic surveys. Our field teams identify emerging concerns and relay real-time insights to central and regional teams. These inputs are actively integrated into product design, credit policies, and operational processes for continuous improvement.

Resolution Channel

Level 1 Branch Manager

Level 2 Toll-Free Number

Level 3 Appellate Authority at Head Office Level

Technology-enabled Customer Experience

- Facilitates secure access to account-level information and seamless digital repayments, improving transparency and customer control
- Provides automated reminders and updates, strengthening communication and repayment discipline
- Empowers field staff with mobile applications for faster, more efficient service during centre meetings and field visits
- Enhances data visibility and customer profiling to ensure more personalised and targeted engagement

Customer-centric Expansion Strategy

We continue to prioritise customer centricity while expanding into new geographies and product segments. Market entry decisions are guided by detailed socio-economic assessments to identify underserved communities. Product offerings are aligned with evolving customer needs to support livelihoods, resilience, and enterprise growth. Community engagement initiatives and pilot programmes help build trust in new markets, while standardised processes, structured training, and centralised monitoring ensure consistent service delivery and efficient tracking of customer outcomes.

Social: People

Sustaining Momentum with an Empowered Team

We nurture a people-centric culture, driven by trust, shared purpose, and inclusive engagement. By promoting open communication, investing in learning, and recognising contributions, we create opportunities for employees to grow professionally while fostering contributions to sustainable social impact.

15,735
Total Employee Count

16.43%
Confirmed Employee Turnover

8.73%
Women Employees

28
Average Age

Embedding Purpose into Everyday Work

We foster a strong sense of purpose by aligning every role with our mission of financial inclusion and women's empowerment. Our core values, comprising integrity, customer centricity, respect, and excellence, are embedded through onboarding, training, and leadership engagement. We further emphasise these values through open communication, impact storytelling, and recognition, inspiring employees to contribute to a larger social cause.

Leadership Development and Executive Learning

MML invests significantly in the continuous development of its senior leaders and identified successors. The organisation facilitates participation in globally recognised executive education programmes and leadership development initiatives to enhance strategic thinking, innovation, digital transformation, and business leadership competencies. Senior leaders have attended prestigious programs such as Strategy in the Age of AI by Phil Parker at INSEAD, Blue Ocean Strategy at INSEAD, and Strategic Leadership and Digital Transformation conducted by the Asian Institute of Management. In addition, leaders participated in specialised courses, workshops, and executive development programs at the Indian Institute of Management Bangalore, covering areas including leadership, technology, risk management, operations, training, and other critical business functions.

AI-Enabled Learning Platform – Evolve

To enhance the learning experience and make training more inclusive, the Company introduced **Evolve,** an AI-enabled learning platform. The platform features **Radhika,** an AI-powered learning avatar that delivers training in **11 regional languages,** enabling employees across diverse geographies to access and understand learning content more effectively.

Training Initiatives during 2025–26

- Rolled out structured training programmes including induction, role-based modules, and refresher sessions to strengthen product, process, and customer engagement capabilities
- Integrated field-based learning to help employees gain first-hand exposure to customer needs and community dynamics
- Designed programmes to build empathy, improve customer interactions, and bolster relationship management skills
- Emphasised practical, scenario-based learning to elevate on-ground problem-solving and decision-making capabilities
- Imparted targeted training on customer centricity, ethical practices, and responsible lending
- Recognizing the increasing importance of digital governance, cybersecurity, and responsible technology adoption, MML has conducted focused capability-building initiatives on emerging areas such as the Digital Personal Data Protection (DPDP) framework and Artificial Intelligence (AI) security. During 2025–26, the organisation delivered training programs on DPDP General Awareness, DPDP Technical Awareness, AI Security for IT Infrastructure, and AI Security for IT Development. These targeted interventions ensure that leaders and key talent remain equipped to navigate evolving regulatory, technological, and cyber-risk landscapes.

Fostering Employee Engagement

We strengthen employee engagement through inclusive platforms and continuous learning initiatives that connect teams across levels. The AIM Initiative encourages idea-sharing and ownership, while surveys and the HER platform promote open communication. Role-based training and the Process Champion framework strengthen knowledge sharing and operational consistency. Well-being initiatives, including mental health support and health camps, coupled with recognition platforms and leadership interactions, enhance employee care, collaboration, and sense of belonging.

We covered COC, CPP, FPC, ESG, Cyber Security, Data Privacy, Data Protection and POSH for all our employees
100%

Targeted Employee Surveys

To better understand employee experiences and strengthen engagement, the Company introduced a structured framework of targeted employee surveys. Designed to gather meaningful feedback at key stages of the employee lifecycle, these surveys provide valuable insights that support informed decision-making and continuous improvement.

The survey framework includes the **First Step Survey** for employees completing one month of service, **Milestone Surveys** at three and six months of service, and the **LeadHer Survey,** a dedicated initiative to understand and enhance the workplace experience of women employees.

Promoting Employee Health, Safety, and Well-being

We place strong emphasis on employee well-being, safety, and work-life balance in our people philosophy, especially for field teams. We support mental health through a dedicated Wellness Cell and promote preventive care via health camps, while POSH training and platforms like HER strengthen workplace safety. Structured processes, training, and supervisory support ensure safe field operations, complemented by wellness and financial programmes that help employees maintain balance and perform effectively.

29,539
Total Employee Consultations

5,300+
Total Psychologist Consultations

Driving Diversity, Equity, and Inclusion

We integrate diversity, equity, and inclusion into our people practices, ensuring fairness, dignity, and equal opportunity in workplace. Through initiatives like HER, LeadHER, and the POSH training, we actively promote gender inclusion and create an environment where every employee can thrive.

Pink Hiring Initiative

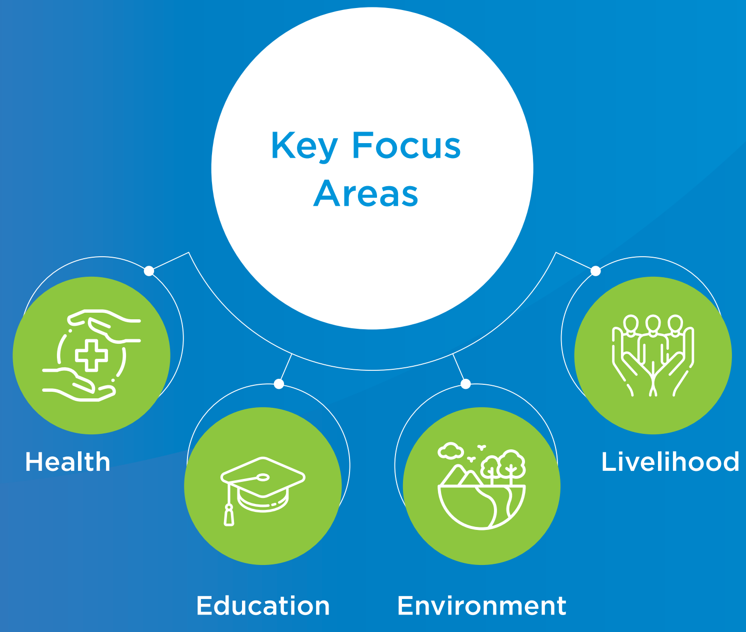
The Company successfully conducted a **Pan-India Pink Hiring Drive** to strengthen female representation across its workforce on women's day 2026, with a focus on recruiting women for Relationship Officer and Branch Manager roles. Encouraged by the positive response and successful outcomes, the initiative has been integrated into the Company's ongoing hiring strategy to sustain the momentum in women recruitment.

Social: Communities

Reaching the Marginalised through Concerted Interventions

We promote inclusive development through focused Corporate Social Responsibility (CSR) interventions that support community priorities. By improving access to the basic necessities of life, we create opportunities for the targeted cross-sections of population, particularly in marginalised and rural India.

By partnering with local institutions, we strive to strengthen livelihoods, enhance quality of life, and contribute to sustainable progress.



Strengthening Financial Literacy and Responsible Borrowing

We sharpened our focus on responsible borrowing, savings, and financial planning during the year under review. This, in turn, strengthened our financial literacy initiatives through a mix of physical and digital channels. Digital tools such as the Mahila Mitra App helped in enhancing accessibility and outreach. Collectively, these initiatives play a key role in bolstering financial capability and mitigating over-indebtedness risks.

360+

Financial Literacy Programmes Conducted in 2025–26

113

Financial Literacy Programmes Conducted in 2024–25

5,500+

Participants Reached in 2025–26

Enabling Holistic Livelihood and Well-being Support

We support our customers and their families through targeted interventions across sanitation, clean energy, and healthcare. Through e-clinic touchpoints, we amplify the availability of healthcare in underserved communities. Our focused interventions elevate standard of living, foster livelihood resilience, and reduce vulnerability to external shocks. In 2025–26, we further scaled these efforts for wider impact.

756+

E-Clinics

Providing Healthcare Awareness

We promote healthcare awareness through targeted outreach and sanitation financing, supporting healthier living conditions and informed financial choices. By addressing sanitation and health together, we strengthen household stability, minimise exposure to health-related risk, and build long-term resilience.

~15 lakhs

Telemedicine consultations till date under e-clinics initiative

Board of Directors

Driving Excellence through Strategic Management

Board of Directors

Mr. Thomas Muthoot
Chairman,
Non-Executive Director

Mr. Thomas George Muthoot
Non-Executive Director

Mr. Thomas Muthoot John
Executive Director

Ms. Hannah Muthoot
Non-Executive Director

Mr. John Tyler Day
Non-Executive Director

Mr. Alok Prasad
Independent Director

Ms. Pushpy B Muricken
Independent Director

Ms. Bhama Krishnamurthy
Independent Director

Mr. T. S. Vijayan
Independent Director

Mr. Anil Sreedhar
Independent Director

Key Managerial Personnel and Senior Management Personnel

Mr. Sadaf Sayeed
Chief Executive Officer

Mr. Udeesh Ullas
Chief Operating Officer

Mr. Praveen T
Chief Financial Officer

Mr. Subhransu Pattnayak
Chief Human Resource Officer

Ms. Neethu Ajay
Chief Compliance Officer
and Company Secretary

Mr. Jinsu Joseph
Chief Risk Officer

Mr. Linson C. Paul
Chief Technology Officer

Mr. Dileep Kumar Pathak
Chief Internal Auditor

Mr. Deepu S.
Chief Information Security Officer

Risk Management

Navigating Change through Tactical Agility

We navigate a dynamic microfinance landscape by embedding agility and resilience across our operations, enabling swift responses to emerging challenges. Our AI-driven appraisal tools and risk scorecard strengthen portfolio quality, preserve customer trust, and ensure disciplined, sustainable growth.

We adopt a proactive, technology-led framework built on data-driven credit evaluation, diversified portfolio exposure, disciplined funding, and strong operational controls. This allows us to identify emerging risks early, strengthen mitigation, and maintain financial stability while supporting responsible financial inclusion.

Key Highlights of 2025–26

- Implemented MFIN and Sa-Dhan Guardrails 2.0, lowering the share of over-leveraged borrowers (exposure above ₹ 2 lakhs) to ~0.8%
- Introduced an advanced in-house credit scorecard complemented by AI-driven appraisal tools, account aggregator data analytics, and visual business assessments to enhance credit evaluation accuracy
- Achieved full compliance with lender covenants and retained M1C1 ratings
- Earned industry recognitions, including 'Financial Inclusion Institution of the Year' and 'Responsible Finance for Sustainability'
- Deployed system-driven branch profitability metrics, leading to the rationalisation and merger of 91 underperforming branches

Risk Category	Risk Identification	Potential Impact	Mitigation Strategy
Credit & Borrower Risk	Borrower over-leveraging due to customers taking multiple loans from different lenders beyond repayment capacity	Increased delinquency rates, rising credit costs, and systemic debt stress within borrower communities	• Strict implementation of industry Guardrails 2.0, limiting borrowers to four lenders and capping total exposure below ₹ 2 lakhs • Real-time credit bureau checks combined with a proprietary AI-driven scorecard to filter high-quality borrowers with scores above 700
Concentration Risk	Geographical over-exposure to specific states such as Tamil Nadu or Kerala	Exposure to regional economic shocks, local political interventions, or state-specific regulatory actions	• Expansion into newer geographies, including Assam, Andhra Pradesh, and Telangana to diversify presence • Merging of 91 underperforming units through branch rationalisation initiatives
Event & Climate Risk	Environmental disruptions such as floods, droughts, or heavy rainfall affecting rural livelihoods	Temporary disruption in borrower cash flows, leading to higher delinquencies in affected regions	• Natural calamity insurance for borrowers to safeguard business continuity • Provision of personal accident and loss-of-wage insurance to support rural households during unforeseen events
Operational Risk	High employee attrition among field staff (Relationship Officers)	Loss of borrower relationships, disruption in collections discipline, and higher recruitment and training costs	• Increased focus on hiring female field officers (currently 1,045), who demonstrate lower attrition and approximately 2% higher collection efficiency • Arrangements of residential facilities in high-attrition zones to improve retention
Strategic / Market Risk	Heavy reliance on the JLG model, which may be susceptible to group-think defaults during stress events	Cluster-level repayment disruptions and exposure to systemic 'event risks' impacting entire borrower groups	• Gradual product diversification into non-JLG segments such as Individual Loans, Micro LAP, and Gold Loans
Financial / Liquidity Risk	Dependence on limited or high-cost funding sources	Pressure on Net Interest Margins (NIMs) and reduced flexibility in capital deployment	• Optimisation of the liability mix through Pass-Through Certificates (PTCs), External Commercial Borrowings (ECBs), and Non-Convertible Debentures (NCDs) • Maintenance of a strong liquidity buffer

Corporate Information

Board of Directors

Mr. Thomas Muthoot
Chairman, Non-Executive Director

Mr. Thomas Muthoot John
Executive Director

Mr. Thomas George Muthoot
Non-Executive Director

Ms. Hannah Muthoot
Non-Executive Director

Mr. John Tyler Day
Non-Executive Director

Mr. Alok Prasad
Independent Director

Mrs. Pushpy B Muricken
Independent Director

Mrs. Bhama Krishnamurthy
Independent Director

Mr. T S Vijayan
Independent Director

Mr. Anil Sreedhar
Independent Director

Key Managerial Personnel

Mr. Sadaf Sayeed
Chief Executive Officer

Mr. Praveen T
Chief Financial Officer

Ms. Neethu Ajay
Chief Compliance Officer and Company Secretary

Senior Management Personnel

Mr. Udeesh Ullas
Chief Operating Officer

Mr. Subhransu Pattnayak
Chief Human Resource Officer

Mr. Jinsu Joseph
Chief Risk Officer

Mr. Linson C Paul
Chief Technology Officer

Mr. Dileep Kumar Pathak
Chief Internal Auditor

Mr. Deepu S
Chief Information Security Officer

Statutory Auditor

M/s. Suresh Surana & Associates LLP
Chartered Accountants
8th Floor, Bakhtawar
229, Nariman Point, Mumbai - 400 021

Secretarial Auditor

M/s. SEP & Associates
Company Secretaries,
Building No CC 31/1590,
Felix Road, Thammanam
Cochin - 682 032

Internal Auditor

M/s. Ernst & Young LLP
14th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West), Mumbai - 400 028

Debenture Trustees

Catalyst Trusteeship Limited
901, 9th Floor, Tower-B,
Peninsula Business Park,
Senapati Bapat Marg,
Lower Parel (W) - 400 013

Mitcon Credentia Trusteeship
Services Limited.
Kubera Chambers, 1st Floor,
Shivajinagar, Pune,
Maharashtra - 411 005

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

Registrar & Transfer Agent

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

Registered Office

13th Floor, Parinee Crescenzo,
Bandra Kurla Complex, Bandra East,
Mumbai - 400 051
Ph: +91 22-62728544
Email: info@muthootmicrofin.com
Website: www.muthootmicrofin.com

Administrative Office

5th Floor, Muthoot Towers, M.G Road,
Kochi - 682 035
Ph: +91 484 4277500
Email: info@muthootmicrofin.com
Website: www.muthootmicrofin.com

Our Financiers

- A.K Capital
- AXIS Bank Ltd
- Bajaj Finserv
- Bandhan Bank
- Bank of Baroda
- Bank of Bahrain and Kuwait
- Bank of India
- Bank of Maharashtra
- Blue Orchard
- Canara Bank
- Capital SFB
- Catholic Syrian Bank
- Credit Saison
- DCB Bank Limited
- DBS Bank
- Doha Bank
- Equirus
- Equitas SFB
- Federal Bank Ltd
- Hinduja Leyland Finance
- HSBC
- ICICI Bank
- ICBC Bank
- IDBI
- IDFC First Bank
- Indus Ind Bank
- Karnataka Bank
- Karur Vysya Bank
- Kookmin Bank
- Kotak Mahindra Bank
- Manaveeya Development and Finance Private Limited
- Mega international Commercial Bank
- National Bank of Ras Al Khaimah
- Northern Arc Capital Limited
- Mas Financial Services Ltd
- MUDRA
- NABARD
- NABFINs
- Nabkissan
- Nabsamrudhhi
- Nippon
- Piramel Capital and Housing Finance
- Poonawalla Fincorp
- Punjab and Sindh Bank
- ResponsAbility
- SBM Bank
- State Bank of India
- Standard Chartered Bank
- South Indian Bank
- SIDBI
- Suryoday SFB
- Tata Capital
- Triple Jump
- UCO Bank
- Union Bank of India
- Water Equity
- Wint Wealth
- Woori Bank
- Yes Bank
- Yubi

DIRECTORS' REPORT

To the Members of Muthoot Microfin Limited,

Your directors are pleased to present the 34th Board's Report of Muthoot Microfin Limited ("The Company") together with the Audited Financial Statements for the financial year ended March 31, 2026.

1. FINANCIAL HIGHLIGHTS

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs ('MCA') under section 133 of the Companies Act, 2013 (the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act, circulars, guidelines and directions issued by the Reserve Bank of India ("RBI") from time to time. The financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013, applicable to NBFCs as notified by the Ministry of Corporate Affairs (MCA).

(₹ in million)

Particulars	March 31, 2026	March 31, 2025
Revenue from operations	23,695.68	25,616.93
Other Income	111.29	28.79
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	11,265.08	6,840.38
Less: Depreciation/Amortisation/Impairment	431.34	428.37
Profit/loss before Finance Costs, Exceptional items and Tax Expenses	**10,833.74**	**6,412.01**
Less: Finance Costs	8,744.64	9,301.05
Profit/loss before Exceptional items and Tax Expenses	**2,089.10**	**(2,889.04)**
Add/(less): Exceptional items	-	-
Profit/loss before Tax Expenses	2,089.10	(2,889.04)
Less: Tax Expenses (Current & Deferred)	386.43	(663.81)
Profit/(loss) for the year (1)	**1,702.67**	**(2,225.23)**
Total Comprehensive Income/loss (2)	433.40	419.38
Total comprehensive income/(loss) for the year (1+2)	**2,136.07**	**(1,805.85)**
Add: Balance of profit/loss for earlier years	6,624.99	8,374.57
Add: Consolidation of ESOP Trust	27.36	56.27
Less: Transfer to Reserves	340.53	-
Balance carried forward	**8,447.89**	**6624.99**

2. STATE OF AFFAIRS OF THE COMPANY

As of March 31, 2026, the Company had 3.27 million active customers spread across 1670 branches, with a gross loan portfolio of ₹ 1,40,056.22 million as compared to ₹ 1,23,567.18 million as of March 31, 2025.

The net worth of the Company as on March 31, 2026, was ₹ 28,543.12 million and capital adequacy as on March 31, 2026, was 23.92%, well in excess of the mandated 15%.

During the year, the Company's revenue from operations and other income was ₹ 23,806.97 million with a net profit with other comprehensive income of ₹ 2,136.07 million. The funding sources for the Company was through private placement of Non-Convertible Debentures ("NCDs") and borrowings from banks/financial institutions by way of Term Loans, PTCs, ECBs and CPs as summarised below.

(₹ in million)

Financial Year	2025-2026	2024-2025
Privately placed Non-Convertible Debenture	9,766.30	5,593.35
Term Loan	50,231.40	49,119.40
Commercial Paper	810.31	-
Pass-Through Certificate -	19571.63	11,344.08
External Commercial Borrowings	13,510.20	12,864.52
Total	**93,889.84**	**78,921.35**

Your Company's Operational Highlights for the financial year ended March 31, 2026, are as follows:

(₹ in million)

Particulars	March 31, 2026	March 31, 2025
Number of Branches	1670	1,699
Amount disbursed	94,183.57	88,724.83
Number of active loans	36,20,125	39,98,731
Total Assets under management including securitised and assigned portfolio (Gross Loan Portfolio)	1,40,056.22	1,23,567.18

3. SHARE CAPITAL

Authorised Share Capital:

During the year under review, the authorised share capital of the Company was ₹ 250,00,00,000 (Rupees Two Hundred and Fifty Crore only) divided into 20,00,00,000 (Twenty Crore) equity shares of ₹ 10/- each aggregating to ₹ 200,00,00,000 (Rupees Two Hundred Crore only) and 5,00,00,000 (Five Crore) preference shares of ₹ 10/- each aggregating to ₹ 50,00,00,000/- (Rupees Fifty crores only).

Issued, Subscribed and Paid-up Share Capital:

As on March 31, 2026, the issued, subscribed and paid-up share capital of the Company was ₹ 1704.92 million comprising of fully paid-up equity shares of face value ₹ 10/- each.

During the year under review, there is no change on the Issue, Subscribed and Paid-up share capital of the Company.

Type of share capital	Number of shares	Face value (₹)	Aggregate value (₹)
Equity shares	17,04,92,176	10	1,70,49,21,760

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

As on March 31, 2026, none of the Directors of the Company holds instruments which were convertible into equity shares of the Company.

Further, Out of the Issued and Paid-up capital of the Company, 27,25,499 Equity shares are held by MML Employee Welfare Trust set up by the Company for administration of Employee Stock Option plans in compliance with SEBI (Share Based Employee Benefits & Sweat Equity) Regulations, 2021.

4. LISTING OF SHARES

The equity shares of the Company were listed on National Stock Exchange of India Ltd. (NSE) and BSE Ltd. (BSE). The listing fee for the financial years 2025-26 and 2026-27 were paid to both the Stock Exchanges.

5. DIVIDEND

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

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Company has formulated a Dividend Distribution Policy, setting out the parameters for the declaration and distribution of dividend.

The Policy is available on the website of the Company at: https://muthootmicrofin.com/policies/

6. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

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

7. AMOUNT TRANSFERRED TO RESERVES

The Company proposes to transfer ₹ 340.53 million to the reserve out of the amount available for appropriation and ₹ 1822.90 million is proposed to be retained in the profit and loss account.

8. EMPLOYEE STOCK OPTION PLAN (ESOP)

Stock Options are granted to the eligible employees and KMPs of the Company pursuant to the Muthoot Microfin Employee Stock Option Plan 2016 ("ESOP 2016") and Muthoot Microfin Limited Employee Stock Option Plan 2022 ("ESOP 2022"), as decided by the Nomination & Remuneration Committee and Board of Directors. The Company has not granted any options during the financial year 2025-26. Further, during the year under review, there were no cancellation of options considered.

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

9. DEBENTURES, BONDS OR ANY NON-CONVERTIBLE SECURITIES

Non-convertible Debentures: During the period under review, your Company has issued debentures i.e, Listed, Secured, Non-convertible Debentures aggregating to ₹8,650 million and Listed, Unsecured Bond for an amount of $ 15 million. The outstanding as of March 31, 2026 stood as ₹9,766.30 million for Listed, Secured, Non-convertible Debentures and $ 15 million for Listed, Unsecured Bond.

Details are as follows:

	Series	**MML-24**	**MML-25**	**MML-26**	**MML-27**
a.	Date of issue of the securities	02-06-2023	06-07-2023	31-07-2023	02-08-2024
b.	Date of allotment of Securities	05-06-2023	07-07-2023	01-08-2023	06-08-2024
c.	Number of securities	14985*	4912 *	7398*	6640
d.	Whether the issue of the securities was by way of preferential allotment, private placement or public issue	Private Placement	Private Placement	Private Placement	Private Placement
e.	Brief details of the debt restructuring pursuant to which the securities are issued	NA	NA	NA	NA
f.	Issue price	1,00,000	1,00,000	1,00,000	1,00,000
g.	Coupon rate	11%	10.75%	10.75%	8.97%
h.	Maturity date	05-06-2026	07-07-2026	01-08-2026	06-08-2028
i.	Amount raised (In ₹ million)	1500	750	750	664
j.	Amount Outstanding (In ₹ million)	299.7	61.4	184.95	664

	Series	**MML-28**	**MML-29**	**MML-30**	**MML-31A**	**MML-31B**	**MML-32A**	**MML-33A**
a.	Date of issue of the securities	11-09-2025	22-09-2025	03-11-2025	10-11-2025	10-11-2025	02-12-2025	15-12-2025
b.	Date of allotment of Securities	12-09-2025	23-09-2025	04-11-2025	11-11-2025	11-11-2025	03-12-2025	16-12-2025
c.	Number of securities	100000	5000	7500	7500	7500	75000	7500
d.	Whether the issue of the securities was by way of preferential allotment, private placement or public issue	Private Placement	Private Placement	Private Placement	Private Placement	Private Placement	Private Placement	Private Placement
e.	Brief details of the debt restructuring pursuant to which the securities are issued	NA	NA	NA	NA	NA	NA	NA
f.	Issue price	10,000	1,00,000	1,00,000	1,00,000	1,00,000	10,000	1,00,000
g.	Coupon rate	9.80%	9.80%	9.80%	9.90%	10.00%	9.70%	9.85%
h.	Maturity date	12-09-2027	23-09-2028	04-11-2027	11-11-2027	11-11-2027	03-12-2027	16-12-2027
i.	Amount raised (In ₹ million)	1000	500	750	750	750	750	750
j.	Amount Outstanding (In ₹ million)	1000	500	656.25	750	750	750	750

	Series	**MML-33B**	**MML-32B**	**MML-34**	**MML-33C**	**MML-33D**	**MML-35**
a.	Date of issue of the securities	15-12-2025	05-01-2026	22-01-2026	29-01-2026	29-01-2026	05-02-2026
b.	Date of allotment of Securities	16-12-2025	06-01-2026	23-01-2026	30-01-2026	30-01-2026	06-02-2026
c.	Number of securities	7500	75000	5000	5000	5000	4000
d.	Whether the issue of the securities was by way of preferential allotment, private placement or public issue	Private Placement	Private Placement	Private Placement	Private Placement	Private Placement	Private Placement
e.	Brief details of the debt restructuring pursuant to which the securities are issued	NA	NA	NA	NA	NA	NA
f.	Issue price	1,00,000	10,000	1,00,000	1,00,000	1,00,000	1,00,000
g.	Coupon rate	9.95%	9.70%	9.70%	9.85%	9.95%	9.70%
h.	Maturity date	16-12-2028	03-12-2027	23-01-2028	16-12-2027	16-12-2028	06-02-2028
i.	Amount raised (In ₹ million)	750	750	500	500	500	400
j.	Amount Outstanding (In ₹ million)	750	750	500	500	500	400

Note *: Put option exercised for 15 units, 2588 units, 102 units of MML-24, MML- 25 & MML-26 NCDs respectively.

	Series	Bond-1	Bond-2	Bond-3
a.	Date of issue of the securities	21-08-2024	22-10-2024	08-10-2025
b.	Date of allotment of Securities	26-08-2024	28-10-2024	09-10-2025
c.	Number of securities	1200	300	1500
d.	Whether the issue of the securities was by way of preferential allotment, private placement or public issue	Private Placement	Private Placement	Private Placement
e.	Brief details of the debt restructuring pursuant to which the securities are issued	NA	NA	NA
f.	Issue price	10000 USD	10000 USD	10000 USD
g.	Coupon rate	6 Months SOFR + 3.75%	6 Months SOFR + 3.75%	6 Months SOFR + 2.75%
h.	Maturity date	27-08-2029	26-10-2029	10-10-2027
i.	Amount raised (In $ million)	12 million USD	3 million USD	15 million USD
j.	Amount Outstanding (In $ million)	12 million USD	3 million USD	15 million USD

Commercial Paper: During the financial year, the Company has issued Commercial Paper amounting to ₹ 779.93 million and the outstanding as on March 31, 2026 stood at ₹ 810.31 million.

	Series	CP-11	CP-12	CP-13
a.	Date of issue of the securities	13-08-2025	14-11-2025	07-01-2026
b.	Date of allotment of Securities	13-08-2025	14-11-2025	07-01-2026
c.	Number of securities	657	500	500
d.	Whether the issue of the securities was by way of preferential allotment, private placement or public issue	Private Placement	Private Placement	Private Placement
e.	Brief details of the debt restructuring pursuant to which the securities are issued	NA	NA	NA
f.	Issue price	4,56,621.00	4,79,317.00	4,80,532.00
g.	Coupon rate	9.50%	8.75%	8.75%
h.	Maturity date	13-08-2026	13-05-2026	25-06-2026
i.	Amount raised (In ₹ million)	300.00	239.66	240.27
j.	Amount Outstanding (In ₹ million)	317.66	247.54	245.11

10. CAPITAL ADEQUACY

The Capital Adequacy Ratio was 23.92% as on March 31, 2026. The Net Owned Funds (NOF) as on that date was ₹ 21,485.98 million. The minimum capital adequacy requirement stipulated for your Company by Reserve Bank of India is 15%.

11. ANNUAL RETURN

Pursuant to Section 134 and Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, a copy of the Annual Return is placed on the website of the Company.

The web–link is: https://muthootmicrofin.com/stakeholders-information/?tab=5

12. ACHIEVEMENTS

During the financial year under review, the Company received several prestigious awards and recognitions in acknowledgment of its commitment to financial inclusion, workplace excellence, ESG leadership, and operational performance. Some of the key awards and milestones achieved during the year are highlighted below:

- Company received the Great Place to Work® Certification for the Seventh time.
- Company were recognised among the “Top 50 India’s Best Workplaces™ in BFSI 2026”.
- Company expanded operations into Assam, marking a significant step towards strengthening financial inclusion in the North-East region.
- Received the TransUnion CIBIL Best Data Quality Award in the Microfinance Institutions segment.
- Crossed the milestone of 1,000 female Relationship Officers (ROs), reflecting the Company’s commitment to women empowerment and inclusive growth.
- Won the “Best Financial Inclusion Initiative” award at the NBFCs Tomorrow Conclave and DNA Awards 2025.
- Honoured with the SKOCH Gold Award for ESG Excellence in recognition of the Company’s strong commitment towards ESG goals.
- Received the “Top Performing Microfinance Institution” award at the Water.org and Sa-Dhan Awards 2025.

- Conferred with the "Financial Inclusion Institution of the Year" award at the ACCESS ASSIST Conference 2026, organised in association with the Ministry of Finance and HSBC.
- Achieved a top-tier ESG rating of 80.8 with CareEdge ESG 1+.
- Company received the Top ESG Honours and Industry Leadership Award at the India 2030 Conclave.

13. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company, being an NBFC registered with RBI and engaged in the business of giving loans in the ordinary course of its business, is exempt from complying with the provisions of section 186 (2) of the Companies Act, 2013 with respect to loans, guarantees and investments. Accordingly, the Company is exempt from complying with the requirements to disclose in the financial statement the full particulars of the loans given, investment made or guarantee given or security provided.

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

(in ₹)

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

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

14. CHANGE IN NATURE OF BUSINESS, IF ANY

There was no change in the nature of business of the Company during the financial year 2025-26.

15. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT.

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

16. REVISION OF FINANCIAL STATEMENT OR THE REPORT

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

17. CREDIT RATING

The credit rating awarded to various instruments of the Company as on March 31, 2026, were as follows:

Credit Rating Agency	Instrument	March 31, 2026	March 31, 2025
CRISIL	MFI grading	M1C1	M1C1
	Bank Lines	A+/Positive	A+/Stable
	Non-convertible Debentures	A+/Positive	A+/Stable
	Commercial paper	A1+	-
	Principal Protected Market Linked Debenture	Rating Withdrawn	Rating Withdrawn
CareEdge Global	ECB Global Rating (USD Denominated Bonds)	CareEdge BB-/Stable	-

The Credit Rating of different instruments of the Company as on March 31, 2026, was mentioned under note 55 (xxi) of the Financial Statements under RBI disclosures.

Further, on June 09, 2026, CRISIL upgraded the credit ratings assigned to the Company's long-term credit facilities and Non-Convertible Debentures (NCDs) to **'CRISIL AA-/Stable'** from 'CRISIL A+/Positive'. CRISIL also reaffirmed its '**CRISIL A1+**' rating assigned to the Company's Commercial Papers.

18. DIRECTORS AND KEY MANAGERIAL PERSONNEL

I. Composition of the Board of Directors

As of March 31, 2026, the Board of your Company comprised of Ten Directors with one Executive Director, four Non-Executive Directors and Five Independent Directors. The composition of the Board of Directors meets the requirement of provisions of Regulation 17 of the Listing Regulations and Section 149 of the Act.

Details of the Directors are as follows:

Category	Name of Director
Executive Director	Mr. Thomas Muthoot John
Non-Executive Independent Directors	Mr. Alok Prasad
	Ms. Pushpy B Muricken
	Mr. Thai Salas Vijayan
	Ms. Bhama Krishnamurthy
	Mr. Anil Sreedhar
Non-Executive Directors	Mr. Thomas Muthoot
	Mr. Thomas George Muthoot
	Mr. John Tyler Day
	Mr. Akshaya Prasad*

**Mr. Akshaya Prasad ceased to be the Director effective from May 06, 2026*

A. Change in Composition of the Board of Directors

During the year under review, there was no change on the Board of Directors ('Board').

i. Directors retiring by rotation

At the 33rd Annual General Meeting held on July 24, 2025, Mr. Thomas Muthoot, Director (DIN: 0082099) retired by rotation in compliance with the provisions of Section 152 of the Companies Act, 2013 and was re-appointed.

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

Mr. John Tyler Day (DIN: 07298703), Non-Executive, Non-Independent Director, retires in accordance with Section 152 of the Companies Act, 2013. He shall hold office until the conclusion of the ensuing Annual General Meeting of the Company.

ii. Re-appointment of Independent Directors

During the financial year 2025-26, there were no re-appointments of Independent Directors.

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

The Board of Directors at their meeting held on June 30, 2026, has inducted Ms. Hannah Muthoot (DIN: 10762532) as Additional Director (Non-Executive Non-Independent), on recommendation of the Nomination and Remuneration Committee and the Audit Committee. In terms of the provision of Section 160 of the Companies Act 2013 and the rules made there under, the Company has received notice from the members of the Company, proposing the candidature of Ms. Hannah Muthoot as the Non-Executive Director of the Company. The Company has received necessary documents/declarations on this behalf.

The above proposal forms part of the Notice of 34th Annual General Meeting of the Company and the relevant resolution is recommended for members' approval thereon.

iv. Cessations

During the year under review, there were no resignations or cessation of directors from the Company's Board of Directors.

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

Mr. Akshaya Prasad (DIN: 02028253), Non-Executive Director, resigned from the Board effective from May 06, 2026.

Ms. Hannah Muthoot (DIN: 10762532), Non Executive Director was inducted to the Board of Directors effective from June 30, 2026.

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

II. Key Managerial Persons

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

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

III. Woman Director

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

The Company has Ms. Bhama Krishnamurthy (DIN: 02196839) and Ms. Pushpy B Muricken (DIN: 03431198) as Independent Woman Directors on the Board as on March 31, 2026.

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

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

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

V. Nomination & Remuneration Policy

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

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

1. Objectives, composition and responsibilities of the Nomination and Remuneration Committee
2. Guidelines for NRC on appointment and removal of directors/KMP and senior management
3. Fit and proper criteria to determine the suitability of the person for appointment/ continuing to hold appointment as a Director on the Board of the Company.
4. Criteria for independence - for directors to be appointed as independent directors on board of the Company.
5. Criteria to be considered while appointing KMP, senior management personnel
6. Removal of a director, KMP or senior management
7. Remuneration of directors, key managerial personnel and senior management
8. Evaluation of performance of the Directors and the overall Board broadly on the basis of the laid-out criteria.
9. Criteria for review of the policy due to change in regulations or as may be felt appropriate by the Committee subject to the approval of the Board of Directors.

19. BOARD MEETING

During the financial year 2025-26, our Board has met five (5) times, and the meetings were held on May 08, 2025, June 24, 2025, August 11, 2025, November 05, 2025, and February 09, 2026.

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

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

Pursuant to the requirements of Schedule IV to the Act and the Listing Regulations, a separate Meeting of the Independent Directors of the Company was held on March 29, 2026, and the Directors reviewed the matters enumerated under Schedule IV(VII)(3) to the Act and Regulation 25(4) of the Listing Regulations. All the Independent Directors attended the said meeting.

20. COMMITTEES OF BOARD

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

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

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

21. RECOMMENDATIONS OF THE AUDIT COMMITTEE

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

22. COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

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

23. ANNUAL EVALUATION OF BOARD, COMMITTEES, AND INDIVIDUAL DIRECTORS

The meeting of the Board of Directors held on February 09, 2026, conducted an evaluation of its own performance and that of its committees and individual directors.

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

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

Aspects covered in the feedback inter alia are:

a. Composition of Board/committees.

b. Appropriateness of its size, experience and expertise.

c. Effective participation, integrity and credibility.

d. Ability to handle conflict collectively, interpersonal skills, and willingness to address issues proactively.

e. Performance against set goals.

f. Adequacy of terms of reference serves the purpose.

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

24. COMPLIANCE

The Company is registered with the Reserve Bank of India ("the RBI") as a NBFC-MFI. As per the Framework for Scale Based Regulation for Non-Banking Financial Companies issued by the RBI vide direction dated November 28, 2025, i.e, Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025, the Non-Banking Finance Companies are categorised into four layers, NBFC - Base Layer (NBFC-BL), NBFC - Middle Layer (NBFC-ML), NBFC - Upper Layer (NBFC-UL) and NBFC - Top Layer (NBFC-TL) based on size, activity, and risk perceived. According to the said regulation, the Company has been categorised as NBFC – ML.

The Company has listed its equity shares in the BSE Limited and the National Stock Exchange of India Limited and has various Non- Convertible Debt Instruments listed in the BSE Limited and Gift City (India INX and NSE INX).

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

25. CODE OF CONDUCT FOR BOARD AND SENIOR MANAGEMENT

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

All members of the Board and Senior Management personnel have affirmed their compliance with the Code as of March 31, 2026. A declaration to this effect, signed by the Managing Director/Executive Director in terms of the Listing Regulations, is given in the Report of Corporate Governance forming part of this Annual Report.

The Code is made available on the Company's website at https://muthootmicrofin.com/stakeholders-information/?tab=1

26. CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

The Board has formulated the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (Fair Disclosure Code), for the fair disclosure of events and occurrences that could impact the price discovery in the market for the Company's securities.

The Fair Disclosure Code also provides for maintaining uniformity, transparency and fairness in dealings with all stakeholders and ensuring adherence to applicable laws and regulations. The same is available on the website of the Company at https://muthootmicrofin.com/policies/

27. PREVENTION OF INSIDER TRADING

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

28. SUBSIDIARY COMPANY, JOINT VENTURES AND ASSOCIATE COMPANIES

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

29. DEPOSIT

During the financial year, your Company has not accepted any deposits from the public within the meaning of provisions of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 or any deposits within the meaning of Section

73 of the Companies Act 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

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

30. REMUNERATION DETAILS OF DIRECTORS, KMPS AND EMPLOYEES

Details of managerial remuneration pursuant to Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is available on the website of the Company at https://muthootmicrofin.com/stakeholders-information/?tab=3

31. CRITERIA FOR MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS

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

32. DIRECTORS' RESPONSIBILITY STATEMENT

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

i) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departure;

ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2026, and of the profit and loss of the Company for that period;

iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) The Directors had prepared the annual accounts on a going concern basis;

v) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

vi) The Directors has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

33. ADEQUACY OF INTERNAL AUDIT AND FINANCIAL CONTROLS

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

During the year, the review of Internal Financial Controls was done, and the report was placed before the Audit Committee. As per the report the Controls are effective and there are no major concerns. The internal financial controls are adequate and operate effectively to ensure orderly and efficient conduct of business operations.

34. FAIR PRACTICES CODE

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

35. STATUTORY AUDITORS

M/s. Suresh Surana & Associates LLP Indian member of RSM International, Chartered Accountants, (Firm Registration No. 121750W/W-100010), having a valid Peer review Certificate issued by the Peer Review Board of ICAI, in accordance with Section 139 of the Companies Act, 2013 read with RBI Circular No. DoS.CO.ARG/SEC.01/08.91.001/2021-22, were appointed as the Statutory Auditor of the Company for a term of three consecutive years, at the 32nd Annual General Meeting held on July 18, 2024.

The auditors have submitted their Report on the accounts of the Company for the Financial Year ended March 31, 2026, to the Board of Directors at the meeting held on May 06, 2026. The Board has duly examined the Statutory Auditors' Report which is self-explanatory. The Report does not contain any qualifications, reservations or adverse remarks.

36. SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed M/s. SEP Associates, Company Secretaries, Kochi, to conduct the Secretarial Audit of the Company for the Financial Year 2025-26. The Secretarial Audit Report for the financial year ended March 31, 2026, is annexed to this report as **Annexure II.**

The Secretarial Audit Report for the financial year 2025-26 does not contain any qualification, reservation, adverse remark or disclaimer.

37. INTERNAL AUDITOR

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

Pursuant to the provisions of Section 138 of the Act, the Board of Directors, on the recommendation of the Audit Committee appointed M/s. Ernst & Young (E&Y) India LLP, as the Internal Auditor of the Company for financial year 2025-26 for providing co-sourced internal audit services.

38. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE STATUTORY AUDITOR/SECRETARIAL AUDITOR IN THEIR REPORTS

The Statutory Auditors have given their report 'with an unmodified opinion', on the Financial Statements of the Company for Financial Year 2025-26.

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

39. COMPLIANCE WITH SECRETARIAL STANDARDS

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

40. CORPORATE SOCIAL RESPONSIBILITY

In compliance with Section 135 of the Companies Act 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014, the Company has established the Corporate Social Responsibility Committee (CSR Committee) in the year 2015 and the composition and function thereof are mentioned in the Corporate Governance Report.

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

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

The CSR initiatives of MPG revolve around the theme 'HEEL', covering 'Health, Education, Environment and Livelihood'. Detailed information report on the CSR policy and the CSR initiatives undertaken during the Financial Year 2025-26 is given in the **Annexure III–**'Annual Report on CSR activities.

41. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

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

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

42. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

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

43. CORPORATE GOVERNANCE

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

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

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

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

44. DETAILS OF THE AUCTIONS OF GOLD WERE CONDUCTED DURING THE FINANCIAL YEAR.

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

(₹ in million)

Particulars	March 31, 2026	March 31, 2025
Number of loan accounts	620	1539
Outstanding amounts	49.45	103.01
Value fetched	56.72	111.54
Whether any sister concerns participated in the auction	No	No

45. RELATED PARTY TRANSACTION

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

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

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

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

Disclosures of transactions of the listed entity with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the listed entity, in the format prescribed in the relevant accounting standards for annual results is provided in the financial statements.

46. DETAILS OF FRAUDS REPORTED BY AUDITORS

Pursuant to sub-section 12 of Section 143 of the Act, the Statutory Auditors and the Secretarial Auditors of the Company have not reported any instances of material frauds committed in the Company by its officers or employees, except few instances of cheating, forgery, misappropriation and criminal breach of trust, which are duly identified by the Company and are disclosed as Note 55 (xxx) to the Financial Statements.

47. RISK MANAGEMENT

As an NBFC–MFI catering primarily to the unorganised and underserved sectors, risk management forms an integral part of the Company's business operations. The Company has in place a comprehensive Board-approved Risk Management Policy and a well-defined risk management framework supported by established systems and adequate controls for the identification, assessment, measurement, monitoring, reporting, mitigation, and management of risks. The risk management processes, policies, and procedures are periodically reviewed by the Risk Management Committee and the Board of Directors.

The effectiveness of the Company's risk management framework is further strengthened through regular portfolio reviews, stress testing, scenario analysis, control self-assessments, and continuous monitoring of key risk indicators. The Risk Management Committee oversees and monitors various categories of risks, including credit, operational, information technology, financial, regulatory, market, and reputational risks, along with all associated risk exposures.

The Company's internal control systems, organisational structure, processes, policies, and code of conduct collectively provide a robust internal control mechanism that supports the efficient conduct of business operations. The existing risk management measures are continuously reviewed and upgraded to enhance risk prevention and mitigation capabilities. In the opinion of the Board of Directors, there are no risks that threaten the existence or continuity of the Company.

48. TECHNOLOGY ABSORPTION, CONSERVATION OF ENERGY, FOREIGN EXCHANGE EARNINGS AND OUTGO

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

Foreign Exchange Earnings & Outgo

Foreign Exchange Earnings - Nil

Foreign Exchange Outgo - ₹ 2007.88 million

49. VIGIL MECHANISM

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

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

50. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND THE COMPANY'S OPERATIONS IN FUTURE

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

51. CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC)

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

52. DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

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

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

(a) Number of complaints pending at the beginning of the year: Nil

(b) Number of complaints received during the year: Nil

(c) Number of complaints disposed off during the year: Nil

(d) Number of cases pending at the end of the year: Nil

53. DETAILS OF DEBENTURE TRUSTEE

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

Catalyst Trusteeship Limited
Office No.83-87, 8th Floor,
B Wing, Mittal Tower,
Nariman Point,
Mumbai-400021,
Tel +91(022)4922 0555

Vardhman Trusteeship Pvt Ltd.
The Capital, A Wing, 412A,
Bandra Kurla Complex,
Bandra (East)
Mumbai 400 051.
Tel: 022-42648335

Mitcon Credentia Trusteeship Services Limited
Kubera Chambers, 1st
Floor, Shivajinagar, Pune,
Maharashtra 411005, India
Tel: 91-22-22828200/240

54. ACKNOWLEDGMENT

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

For and on behalf of the Board of Directors

Kochi
June 30, 2026

Sd/-
Thomas Muthoot John
Executive Director
(DIN 07557585)

Sd/-
Thomas Muthoot
Director
(DIN 00082099)

ANNEXURE - I

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

1. DISCLOSURE IN TERMS OF GUIDANCE NOTE ON ACCOUNTING FOR EMPLOYEE SHARE-BASED PAYMENTS ISSUED BY ICAI OR ANY OTHER RELEVANT ACCOUNTING STANDARDS AS PRESCRIBED FROM TIME TO TIME

Disclosed in the notes to financial statements - Refer to Note 47 of Standalone Financial Statements for 2025-26 which forms the part of this Annual Report

2. MATERIAL CHANGES IN THE SCHEME

No material change has been carried out during the financial year under review. The Schemes were aligned as per the provisions and requirements under the SEBI (Share Based Employee Benefits) Regulations, 2015 and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

3. DILUTED EPS ON ISSUE OF SHARES PURSUANT TO ESOS: ₹. 10.15

4. i. Details related to ESOS

Particulars	**ESOP 2016**				**ESOP 2022**	
Date of Shareholders' Approval	December 05, 2016				August 24, 2022	
Tranches	I - ₹. 14	II - ₹. 67	III - ₹. 77.20	IV - ₹. 197	I - ₹. 151	II - ₹. 197
Grant Date	05.12.2016	22.02.2018	09.11.2021	10.08.2023	04.11.2022	10.08.2023
Total Number of Options approved under the Plan	14,15,614				26,66,647	
Vesting Requirements	Options are granted with a vesting period of 4 years and vesting shall fixed on conditions as per the Grant.					
Exercise Price or Pricing Formula	Valuation from Registered Valuer					
Maximum term of option granted	Grant + 4 Years					
Source of Shares (Primary, Secondary or Combination)	Combination					
Variation in terms of options	No Variation					
Method used for accounting of ESOS	Fair Value Method					
Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and its impact on profits and EPS of the Company	Company ESOP Plan is at fair value					

Option movement during the year

Scheme	**ESOP 2016**				**ESOP 2022**	
Tranches	I - ₹. 14	II - ₹. 67	III - ₹. 77.20	IV - ₹. 197	I - ₹. 151	II - ₹. 197
Number of options granted and outstanding at the beginning of the year	-	-	1,03,841	38,625	11,51,750	1,74,110
Number of Options exercisable at the beginning of the year	-	19,000	1,32,773	12,875	10,53,125	58,037
Number of Options Granted during the year	Nil	Nil	Nil	Nil	Nil	Nil
Number of options Vested during the year	-	-	1,03,841	12,875	5,75,875	58,037
Number of options Exercised during the year	-	12,500	1,18,250	-	18,387	20,000
Number of shares arising as a result of exercise of options;	-	12,500	1,18,250	-	18,387	20,000

Scheme	ESOP 2016				ESOP 2022	
Number of Options lapsed during the year	-	6,500	-	-	-	-
Number of options cancelled during the year	-	-	-	-	-	-
Exercise Price	₹. 14	₹. 67	₹. 77.2	₹. 197	₹. 151	₹. 197
Money realised by exercise of options;	-	8,37,500	91,28,900	-	27,76,437	39,40,000
Number of Options outstanding at the end of the year	**-**	**-**	**-**	**25,750**	**5,75,875**	**1,16,073**
Number of options exercisable at the end of the year	**-**	**-**	**1,18,364**	**25,750**	**16,10,613**	**96,074**
Loan repaid by the trust during the year from the exercise price received	₹. 2,00,00,000 (Rupees Two Crore Only)					
Employee wise details of Options granted						
1. Key Managerial Personnel	NIL					
2. Any other employee who received a grant in any one year of Options amounting to 5% or more of Options granted during that year	NIL					
3. Identified Employees who were granted Options during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of Grant	NIL					
Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	1. Weighted Average Price per Share - ₹ 14 2. Expected Volatility – 56.49% 3. Vesting Period - 4 years 4. Risk-free interest rate – 6.29 5. Expected dividends – Nil Expected Life – 6.25 years	1. Weighted Average Price per Share - ₹ 67 2. Expected Volatility – 49.98% 3. Vesting Period - 4 years 4. Risk-free interest rate – 7.58 5. Expected dividends – Nil Expected Life – 6.25 years	1. Weighted Average Price per Share - ₹ 77.2 2. Expected Volatility – 50.53% 3. Vesting Period - 4 years 4. Risk-free interest rate – 5.67 5. Expected dividends – Nil 6. Expected Life -5 years	1. Weighted Average Price per Share - ₹ 197 2. Expected Volatility – 51.09% 3. Vesting Period - 4 years 4. Risk-free interest rate – 7.03 5. Expected dividends – Nil 6. Expected Life -5.01 years	1. Weighted Average Price per Share - ₹ 151 2. Expected Volatility – 52.28% 3. Vesting Period - 4 years 4. Risk-free interest rate – 7.34 5. Expected dividends – Nil 6. Expected Life -5 years	1. Weighted Average Price per Share - ₹ 197 2. Expected Volatility – 51.09% 3. Vesting Period - 4 years 4. Risk-free interest rate – 7.03 5. Expected dividends – Nil 6. Expected Life – 5.01 years

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

5. DETAILS RELATED TO TRUST

i. General Information on all schemes

Particulars	Details
Name of the Trust	MUTHOOT MICROFIN LIMITED EMPLOYEE WELFARE TRUST
Details of the Trustee(s)	Mr. R. Nadana Sabapathy & Ms. Subha Joseph
Amount of loan disbursed by company/any company in the group, during the year	NIL
Amount of loan outstanding (repayable to company/any company in the group) as at the end of the year	₹.29,21,07,992.82
Amount of loan, if any, taken from any other source for which company/any company in the group has provided any security or guarantee	NIL
Any other contribution made to the Trust during the year	NIL

ii. Brief details of transactions in shares by the Trust

Particulars	Details (As a percentage of paid-up equity capital as at the end of the year immediately preceding the year in which shareholders' approval was obtained)
Number of shares held at the beginning of the year	28,94,636 (1.70%)
Number of shares acquired during the year through (i) primary issuance (ii) secondary acquisition, also as a percentage of paid-up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share;	NIL
Number of shares transferred to the employees/sold along with the purpose thereof;	NIL
Number of shares transferred to the employees during the year	1,69,137 (0.10%)
Number of shares held at the end of the year.	27,25,499 (1.60%)

ANNEXURE - II

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended March 31, 2026

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2026, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have conducted verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2026, according to the provisions of:-

I. The Companies Act, 2013 (the Act) and the Rules made thereunder;

II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

   a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2018

   d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

   e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021

   f. Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 and Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025.

   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable during the audit period)

   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable during the audit period)

   i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

VI. As informed to us, the following Regulations and Guidelines prescribed under the Reserve Bank of India Act, 1934 applicable to Non-Banking Financial Companies (Non-Deposit Accepting or Holding) are specifically applicable to the Company:

   a) Reserve Bank of India (Non-Banking Financial Companies – Microfinance Institution) Directions, 2025;

   b) Reserve Bank of India (Non-Banking Financial Companies – Governance) Directions, 2025

   c) Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Capital Adequacy) Directions, 2025;

   d) Reserve Bank of India (Non-Banking Financial Companies - Internal Ombudsman) Directions, 2026;

   e) Reserve Bank of India (Non-Banking Financial Companies – Miscellaneous) Directions, 2025;

f) Reserve Bank of India (Non-Banking Financial Companies – Know Your Customer) Directions, 2025;

g) Reserve Bank of India (Non-Banking Financial Companies – Treatment of Wilful Defaulters and Large Defaulters) Directions, 2025;

h) Reserve Bank of India (Non-Banking Financial Companies – Asset Liability Management) Directions, 2025;

i) Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025;

j) Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023;

k) Master Direction – Reserve Bank of India (Filing of Supervisory Returns) Directions – 2024 dated February 27, 2024;

l) Master Direction – RBI (Commercial Paper & NCDs up to 1 year), 2024;

m) Guidelines for Asset-Liability Management (ALM) system in Non-Banking Financial Companies;

n) Know Your Customer (KYC) Guidelines- Anti Money Laundering Standards and Know Your Customer (KYC) Direction, 2016;

o) Fair Practices Code;

p) Non-Banking Financial Companies - Corporate Governance (Reserve Bank) Directions, 2015;

VII. The Prevention of Money Laundering Act, 2002 and the Regulations and Bye-laws framed thereunder;

VIII. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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

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

(ii) The Listing Agreements entered by the Company with BSE Limited and National Stock Exchange of India Ltd.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, and other applicable requirements mentioned above.

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

We further report that:

The Board of Directors of the Company is duly constituted with a proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no further changes in the composition of the Board of Directors during the period under review and the present composition of the Board of Directors is in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings in compliance with the provisions of Section 173(3) of the Companies Act, 2013, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting except in the case of Shorter Notice. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with its size and the operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

Sl. No	Method of issue	Date of Allotment	Particulars
1.	Private Placement	September 12, 2025	1,00,000 Listed, Rated, Senior, Secured, Transferable, Redeemable, Non-Convertible Debentures of ₹ 10,000/- each amounting to a total of ₹ 10,000,00,000/-
2.	Private Placement	September 23, 2025	5,000 Listed, Rated, Senior, Secured, Transferable, Redeemable Non-Convertible Debentures of ₹ 1,00,000/- each amounting to a total of ₹ 50,00,00,000/-
3.	Private Placement	October 09, 2025	1,500 Secured, Rated, Listed, Redeemable, United States Dollar Denominated Non-Convertible Debentures of ₹ 8,87,075/- each amounting to a total of ₹ 1,33,06,12,500/-
4.	Private Placement	November 04, 2025	7,500 Rated, Unsubordinated, Secured, Listed, Taxable, Transferable, Redeemable Non-Convertible Debentures of ₹ 1,00,000/- each amounting to a total of ₹ 75,00,00,000/-
5.	Private Placement	November 11, 2025	15,000 Secured, Rated, Listed, Taxable, Redeemable Non-Convertible Debentures of ₹ 1,00,000/- each amounting to a total of ₹ 1,50,00,00,000/-

Sl. No	Method of issue	Date of Allotment	Particulars
6.	Private Placement	December 03, 2025	75,000 Senior, Secured, Rated, Listed, Redeemable, Transferable Non-Convertible Debentures of ₹ 10,000/- each amounting to a total of ₹ 75,00,00,000/-
7.	Private Placement	December 16, 2025	15,000 Secured, Rated, Listed, Redeemable, Taxable Non-Convertible Debentures of ₹ 1,00,000/- each amounting to a total of ₹ 1,50,00,00,000/-
8.	Private Placement	January 06, 2026	75,000 Senior, Secured, Rated, Listed, Redeemable, Transferable Non-Convertible Debentures of ₹ 10,000/- each amounting to a total of ₹ 75,00,00,000/-
9.	Private Placement	January 23, 2026	5,000 Secured, Rated, Listed, Redeemable Non-Convertible Debentures of ₹ 1,00,000/- each amounting to a total of ₹ 50,00,00,000/-
10.	Private Placement	January 30, 2026	10,000 Secured, Rated, Listed, Redeemable, Taxable Non-Convertible Debentures of ₹ 1,00,000/- each amounting to a total of ₹ 1,00,00,00,000/-
11.	Private Placement	February 06, 2026	4,000 Senior, Secured, Rated, Listed, Redeemable, Taxable Non-Convertible Debentures of ₹ 1,00,000/- each amounting to a total of ₹ 40,00,00,000/-

We further report that during the period under review, the following special resolutions were passed by the members of the Company under the Companies Act, 2013:

Date of Resolution	Legal Provision	Resolution
July 24, 2025	Sections 42 and 71	To consider the proposal for Issuance through Private Placement of Debenture and/or through Public Issue
March 14, 2026	Sections 102 and 110	To consider the proposal for Issuance through Private Placement of Debenture.

We further report that during the period under review Non-Convertible Debentures amounted to ₹ 4,47,70,50,000/- (Rupees Four Hundred Forty-Seven crores Seventy lakhs Fifty Thousand Only) were redeemed.

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

(i) Issuance of securities including Public/Right/Preferential issue of securities;

(ii) Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013;

(iii) Redemption/Buyback of securities other than as mentioned above;

(iv) Merger/amalgamation/reconstruction;

(v) Foreign technical collaborations.

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

For SEP & Associates
Company Secretaries
(Peer Review Certificate no. 6780/2025)

UDIN: F003050H000712088

Sd/-
CS Puzhankara Sivakumar
Managing Partner
M. No.: F3050 COP: 2210
Place: Kochi
Date: June 30, 2026

ANNEXURE A TO THE SECRETARIAL AUDIT REPORT OF EVEN DATE

To
The Members,

Muthoot Microfin Limited
13th Floor, Parinee Crescenzo,
Bandra Kurla Complex, Bandra East,
Mumbai, Maharashtra, India – 400051

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

1. Maintenance of the Secretarial records is the responsibility of the management of the Company. Our responsibility as Secretarial Auditors is to express an opinion on these records, based on our audit.
2. During the audit, we have followed the practices and processes as were appropriate, to obtain reasonable assurance about the correctness of the contents of the Secretarial records. We believe that the process and practices we followed provide a reasonable basis for our report.
3. The correctness and appropriateness of financial records and Books of Accounts of the Company have not been verified.
4. We have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc., wherever required.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards etc. is the responsibility of management. Our examination was limited to the verification of the procedures and compliances, wherever practical, on test basis.
6. While forming an opinion on compliance and issuing the Secretarial Audit Report, we have also taken into consideration the compliance related actions taken by the Company after March 31, 2026 but before issue of the Report.
7. We have considered actions carried out by the Company based on independent legal/professional opinions as being in compliance with law, wherever there was scope for multiple interpretations.

For SEP & Associates
Company Secretaries
(Peer Review Certificate no. 6780/2025)

UDIN: F003050H000712088

Sd/-
CS Puzhankara Sivakumar
Managing Partner
M. No.: F3050 COP: 2210
Place: Kochi
Date: June 30, 2026

ANNEXURE - III

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

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

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

The objectives of CSR Policy of the Company are to:

a) build a framework of CSR activities with a philanthropic approach in line with business unit objectives, which also benefits the organisation at large;

b) shape sustainability for the organisation by 'Engaging the Community';

c) build a corporate brand through CSR; and

d) for other stakeholders, make it "an integral part of the Company's DNA, so much so that it has to be an organic part of the business".

2. The Composition of the CSR Committee

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

3. Provide the web-link(s) where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company: https://muthootmicrofin.com/stakeholders-information/?tab=8

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

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

S. No	Financial Years	Net Profit as per section 198 (₹)
1.	Ending March 31, 2023	2,12,87,12,307
2.	Ending March 31, 2024	5,81,79,43,117
3.	Ending March 31, 2025	(2,88,77,16,880)
	Average Net Profit	**1,68,63,12,848**

(b) Two percent of average net profit of the company as per section 135(5): ₹ 3,37,26,257

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL

(d) Amount required to be set off for the financial year, if any: Not applicable

(e) Total CSR obligation for the financial year ((b)+(c)-(d)): ₹ 3,37,26,257

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):
₹ 3,37,69,189

(b) Amount spent in Administrative Overheads: Nil

(c) Amount spent on impact Assessment, if applicable: Not Applicable

(d) Total amount spent for the Financial Year (6a+6b+6c): ₹ 3,37,69,189

(e) CSR amount spent or unspent for the financial year: NA

Total Amount Spent for the Financial Year (₹)	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
3,37,69,189	NA	NA	NA	NA	NA

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

Sl. No.	Particulars	Amount (₹)
1	Two percent of average net profit of the company as per Section 135(5)	3,37,26,257
2	Total amount spent for the Financial Year	3,37,69,189
3	Excess amount spent for the financial year [(2)-(1)]	42,932
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
5	Amount available for set off in succeeding financial years [(3)-(4)]	NIL

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

1	2	3	4	5	6	7	8
Sl. No	Preceding Financial Years(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section(5) of section 135, if any	Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
1	2024-25	2,58,13,295	2,58,13,295	Nil	Nil	2,58,13,295	NA
2	2023-24	Nil	Nil	Nil	Nil	Nil	NA
3	2022-23	Nil	Nil	Nil	Nil	Nil	NA

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

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

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

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

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

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

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

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

Sd/-
Thomas Muthoot
(Chairman, CSR Committee)
Director
(DIN 00082099)

Kochi
June 30, 2026

ANNEXURE - IV

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the listed entity	L65190MH1992PLC066228
2.	Name of the listed entity	Muthoot Microfin Limited
3.	Year of incorporation	1992
4.	Registered office address	13th Floor, Parinee Crescenzo, Bandra Kurla Complex, Bandra East, Mumbai - 400 051
5.	Corporate address	5th Floor, Muthoot Towers, M.G Road, Kochi - 682 035
6.	Email	info@muthootmicrofin.com
7.	Telephone	+91 4844277500
8.	Website	https://muthootmicrofin.com/
9.	Financial year for which reporting is being done	2025-26
10.	Name of the Stock Exchange(s) where shares are listed	**Name of Exchange** / **Stock Code** BSE Limited / 544055 National Stock Exchange of India Limited / MUTHOOTMF
11.	Paid-up capital	₹ 1,70,49,21,760.00
12.	Name and contact details (telephone, Email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Ammaar Mohammad, AVP - Investor Relations & ESG ammaar@muthootmicrofin.com +91 98 9908 8588
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together)	The disclosures are on a standalone basis
14.	Name of assurance provider	No assurance was conducted as the Company does not fall under the top 500 listed entities
15.	Type of assurance obtained	No assurance was conducted as the Company does not fall under the top 500 listed entities

II. Products/services

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

S. no.	Description of main activity	Description of business activity	Percentage of turnover of the entity
1	Onward lending of microfinance loans	Microfinance	93%

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

S. no.	Product/service	NIC Code	Percentage of total turnover contributed
1	Microfinance and related matters	641906*	93%

**The code has been updated as per the NIC 2025*

III. Operations

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

Location	Number of plants	Number of offices	Total
National	NA	1,670 (excluding 1 Registered Office, 1 Administrative Office and 26 Regional Offices)	1,670
International	NA	Nil	Nil

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of states)	21
International (No. of countries)	Nil

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

Nil

c. A brief on types of customers

Muthoot Microfin Limited serves financially underserved women in rural and semi-rural India, primarily from low-income households with an annual income of up to ₹ 3,00,000. These customers are typically engaged in small income-generating activities such as animal husbandry, tailoring, vending, and retail. In many cases, they also have limited or no formal credit history and are often new-to-credit.

Customers are served through:

- **Joint Liability Groups (JLGs):** Informal groups (typically 8-45 members) with mutual guarantees
- **Individual Loans:** Extended to eligible repeat customers based on repayment track record and tenure (‘vintage’)

For portfolio management, customers are classified as new, repeat, and first-cycle (unique) borrowers.

IV. Employees

20. Details as at the end of financial year:

a. Employees and workers (including differently abled)0:

S. no.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
		Employees				
1.	Permanent (D)	11,018	10,181	92.40%	837	7.60%
2.	Other than permanent (E)	4,717	4,180	88.62%	537	11.38%
3.	**Total employees (D + E)**	**15,735**	**14,361**	**91.27%**	**1,374**	**8.73%**
		Workers				
4.	Permanent (F)	NA	NA	-	NA	-
5.	Other than permanent (G)	NA	NA	-	NA	-
6.	**Total workers (F + G)**	**NA**	**NA**	**-**	**NA**	**-**

b. Differently abled employees and workers:

S. no.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	Differently abled employees					
1.	Permanent (D)	1	1	100%	Nil	0%
2.	Other than permanent (E)	Nil	Nil	0%	Nil	0%
3.	**Total differently abled employees (D + E)**	**1**	**1**	100%	Nil	0%
	Differently abled workers					
4.	Permanent (F)	NA	NA	-	NA	-
5.	Other than permanent (G)	NA	NA	-	NA	-
6.	**Total differently abled workers (F + G)**	**NA**	**NA**	**-**	**NA**	**-**

21. Participation/inclusion/representation of women

	Total (A)	No. and percentage of females	
		No. (B)	% (B/A)
Board of Directors	10	2	20%
Key Management Personnel	4	1	25%

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

	2025-26 (Turnover rate in current financial year)			2024-25 (Turnover rate in previous financial year)			2023-24 (Turnover rate in the year prior to the previous financial year)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent employees*	43.41%	40.85%	43.25%	39.70%	42.14%	39.39%	33.84%	39.80%	34.05%
Permanent workers	NA	NA	NA	NA	NA	NA	NA	NA	NA

**The numbers for the previous years have been revised in accordance with the calculation methodology as per the BRSR guidelines*

V. Holding, subsidiary and associate companies (including joint ventures)

23. (a) Names of holding/subsidiary/associate companies/joint ventures:

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

VI. CSR details:

24. **i. Whether CSR is applicable as per Section 135 of the Companies Act, 2013:** Yes

ii. Turnover (in ₹): ₹ 23,80,69,65,621

iii. Net worth (in ₹): ₹ 28,54,31,16,238

VII. Transparency and disclosures compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in place (Yes/No) (If yes, then provide weblink for grievance redress policy)	2025-26 (Current financial year)			2024-25 (Previous financial year)		
		Number of complaints filed during the year	Number of complaints with pending resolution at the close of the year	Remarks	Number of complaints filed during the year	Number of complaints with pending resolution at the close of the year	Remarks
Communities	Yes https://muthootmicrofin.com/disclosures/	Nil	Nil	-	Nil	Nil	-
Investors (other than shareholders)	Yes https://muthootmicrofin.com/disclosures/	Nil	Nil	-	16	Nil	-
Shareholders	Yes https://muthootmicrofin.com/disclosures/	1	Nil	-	Nil	Nil	-
Employees and workers	Yes https://muthootmicrofin.com/wp-content/uploads/2026/03/Grievance-Redressal-Policy_v1.1.pdf	368	Nil	-	262	Nil	-
Customers	Yes https://muthootmicrofin.com/disclosures/	3,527	416	-	1,467	38	-
Value chain partners	Yes https://muthootmicrofin.com/disclosures/	Nil	Nil	-	Nil	Nil	-
Other (please specify)	Yes https://muthootmicrofin.com/disclosures/	Nil	Nil	-	Nil	Nil	-

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

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

S. no.	Material issue	Indicate whether risk or opportunity (R/O)	Rationale for identifying risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
1	Financial inclusion	Opportunity	• Extends financial products to marginalised women • Scales customer base in underserved markets • Empowers communities economically • Strengthens social impact and market presence	–	**Positive:** • Elevated revenues and loan disbursements • Diversified portfolio supporting risk mitigation • Increased investor confidence • Supported long-term growth
2	Digitisation and Innovation	Opportunity	• Enhances customer experience and accessibility • Streamlines operations and reduces costs • Expands reach to remote areas • Enables better data management and credit assessment • Supports customised product offerings	–	**Positive:** • Lowered operating and customer acquisition costs • Accelerated loan approvals • Improved monitoring and collections • Increased profitability and scalability
3	Employee Well-being	Opportunity and Risk	• Improves productivity, engagement, and service quality • Supports physical, mental, and work-life balance • Stress, burnout, absenteeism, and attrition if neglected • Reduced morale, productivity, and employer reputation	• Health and accident insurance • Maternity and paternity benefits • Wellness and mental health programmes • Flexible work practices and employee engagement • Active feedback and grievance resolution	**Positive:** • Lowered absenteeism and attrition • Reduced recruitment and training costs • Improved performance and employer brand **Negative:** • Increased healthcare and hiring costs if neglected • Operational inefficiencies and productivity loss

S. no.	Material issue	Indicate whether risk or opportunity (R/O)	Rationale for identifying risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
4	Lending Practices	Opportunity	• Promotes responsible and need-based lending • Strengthens financial inclusion and customer relationships • Enhances customer trust and loyalty • Reduces default risk and improves portfolio quality	–	**Positive:** • Increased loan volumes and interest income • Improved repayment behaviour • Stronger portfolio health • Stable and sustainable profitability
5	Human Capital Development	Opportunity & Risk	• Enhances workforce capability, productivity, and retention • Drives innovation, service quality, and growth • Skill gaps, attrition, and reduced efficiency if neglected • Higher hiring and training costs and weaker employer brand	• Continuous training and upskilling • Performance management and appraisals • Career progression and development frameworks	**Positive:** • Higher retention and productivity • Stronger organisational capability Negative: • Increased attrition and recruitment costs if not addressed • Performance gaps impacting growth
6	Customer Satisfaction	Opportunity & Risk	• Drives repeat borrowing and customer retention • Improves repayment behaviour and collections • Enhances brand reputation and market reach • Poor experience may reduce repayments and repeat business • Potential regulatory scrutiny if linked to misconduct	• Three-tier grievance redressal system • Dedicated customer support channels • Continuous staff training • Feedback and survey mechanisms	**Positive:** • Higher customer retention and lifetime value • Improved repayment rates • Reduced complaints and disputes **Negative:** • Higher operational costs from complaints handling • Reputational damage and potential revenue loss

S. no.	Material issue	Indicate whether risk or opportunity (R/O)	Rationale for identifying risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
7	Privacy and Data Security	Risk	• Exposure to cyber threats due to digital operations • Handling of sensitive customer data • Risk of regulatory penalties and reputational loss in case of breaches	• Robust data protection and privacy policies • Compliance with applicable data protection regulations	**Negative:** • Regulatory fines and legal liabilities • Customer compensation and remediation costs • Loss of trust and business impact
8	Risk Management	Risk	• Essential to manage NPAs, fraud, and operational risks • Ensures regulatory compliance and operational stability • Builds stakeholder confidence	• Board-level Risk Management Committee • Structured risk identification, monitoring, and mitigation framework	**Negative:** • Higher NPAs and credit losses if ineffective • Regulatory penalties and financial instability
9	Regulatory & Legal Compliance	Risk	• Critical to comply with RBI regulations • Ensures fair practices and protects customer interests • Maintains institutional credibility	• Dedicated compliance function • Ongoing monitoring of regulatory changes • Regular audits and internal reviews	**Negative:** • Increased compliance and operational costs • Risk of penalties, legal action, and operational restrictions
10	Corporate Governance & Ethics	Risk	• Ensures transparency, accountability, and ethical conduct • Prevents fraud, misconduct, and inefficiencies • Maintains stakeholder trust and long-term sustainability	• Internal audits and control systems • Ethics training and policies • Whistleblower mechanism and reporting channels	**Negative:** • Financial loss from fraud or misconduct • Reputational damage and reduced investor confidence

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

S. no.	Disclosure questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Policy and management processes									
1	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c. Weblink of the policies, if available	Policy webpage: https://muthootmicrofin.com/policies/ **Principle 1:** • Anti-Corruption and Bribery Policy • Code of Conduct • Code of Practices and Procedures for Fair Disclosure of UPSI • Corporate Governance Policy • ESG Policy • Management of Conflict of Interest Policy • Policy on Disclosure of Material Events or Information • Policy on Materiality and Related Party Transactions (RPT) • Prohibition of Insider Trading Policy • Whistle Blower Policy • Policy on Appointment of Statutory Auditors • Board Diversity Policy • Chief Risk Officer Policy • Policy for Preservation of Documents • Risk Management Policy **Principle 2:** • Environment and Social Management System (ESMS) Policy • ESG Policy • ESG Underwriting Policy • Responsible Lending & Collection Policy • Supplier Code of Conduct Policy • Supply Chain Policy • Vendor Management and Sustainable Sourcing Policy • Co-Lending Policy **Principle 3:** • Compensation Policy for KMP and Senior Management • Employee Safety & Field Mobility Policy • Equal Opportunity Policy • Gender Equal Opportunity Policy • Nomination and Remuneration Policy • Prevention of Sexual Harassment Policy • Human Dignity and Security Services Policy • Child and Forced Labour Policy • Board Diversity Policy								

S. no.	Disclosure questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
		Principle 4: • Stakeholder Engagement Policy • CSR Policy • Grievance Redressal Policy • Dividend Distribution Policy • Policy on Succession Planning for BoD and Senior Management **Principle 5:** • Child and Forced Labour Policy • Human Dignity & Security Services Policy • ESG Policy • Equal Opportunity Policy • Supply Chain Policy • Supplier Code of Conduct Policy **Principle 6:** • Bio-diversity Policy • Energy Management Policy • GHG Policy • Waste Management Policy • Water Policy • Environment and Social Management System (ESMS) Policy • ESG Policy								
		Principle 7: • Anti-Corruption and Bribery Policy • ESG Policy • GHG Policy • Water Policy • Stakeholder Engagement Policy **Principle 8:** • CSR Policy • ESG Finance Policy • Financial Literacy & Awareness Policy • ESG Policy **Principle 9:** • Fair Practices Code • Responsible Lending & Collection Policy • Financial Literacy & Awareness Policy • Aadhaar Privacy Policy • Client Data Privacy and Security Policy • Privacy and Personal Data Protection Policy • Grievance Redressal Policy • KYC (Know Your Customer) Policy • Gold Auction Policy • Co-Lending Policy • Risk Management Policy								
2	Whether the entity has translated the policy into procedures. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

S. no.	Disclosure questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
4	Name of the national and international codes/certifications/ labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	**Principles 1-9:** • ESG score of 80.8, CareEdge-ESG 1+ **Principle 3:** • India's Top 50 Best Workplaces™ in Health and Wellness 2024 by Great Place To Work Institute • Great Place To Work® certification for the 7th time • Best Organisation for Women 2025 **Principle 4:** • M1C1 Comprehensive Microfinance Grading **Principle 8:** • WASH awards **Principle 9:** • Best Cyber Security Initiative Awards at the 4th Edition Banking Frontiers DNA Awards 2024 • Innovative Customer Service Award from CX Excellence Award 2024 • Most Trusted Microfinance Brand of The Year at Brand Vision: India 2030 Leadership Conclave • Gold in SKOCH Awards in the "Best Customer Application on Digital Financial Inclusion" category for its Mahila Mitra initiative • Gold for "Best Insurance Scheme" for its Griha Suraksha Shield • ISO 22301:2012 • ISO 27002:2013								
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	Muthoot Microfin Limited has a target to reach and impact 10 million households by 2030.								
6	Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met.	-								
	Governance, leadership and oversight									
7	Statement by the Director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) Muthoot Microfin's ESG approach is centred on responsible growth and long-term value creation, with sustainability considerations increasingly embedded into the way the business operates and evolves. As the Company expands its footprint, it remains responsive to evolving regulatory landscapes, heightened stakeholder expectations, and the need for more integrated ESG practices. A strong commitment to financial inclusion remains central to this approach, and continues to drive meaningful outcomes for underserved communities. During the year, the Company further strengthened its efforts to extend access to formal credit, support women-led enterprises, and promote sustainable livelihood opportunities across its areas of operation. This commitment translated into tangible progress during the year. The Company improved operational efficiencies through optimised resource use across branches, while also expanding the scale and reach of its community engagement initiatives. At the same time, it placed greater emphasis on embedding ESG risk considerations into business processes, enabling more structured and forward-looking decision-making. Going forward, the Company remains focused on deepening ESG integration across functions, advancing its sustainability agenda, and enhancing the robustness and transparency of disclosures. Through these efforts, it aims to support resilient growth while delivering enduring value to stakeholders and communities alike.									
8	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	Mr. Thomas Muthoot (DIN 00082099), Director								
9	Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.	Yes. At its meeting held on December 19, 2024, the Board of Directors established the ESG/Sustainability Committee to strengthen governance of Muthoot Microfin Limited's ESG agenda. The Committee provides focused oversight, strategic direction, and ongoing guidance on environmental, social, and governance matters.								

10 Details of review of NGRBCs by the Company:

Subject for review	Principle	Indicate whether the review was undertaken by Director/ Committee of the Board/any other Committee	Frequency (Annually/half-yearly/quarterly/any other – please specify)
Performance against above policies and follow-up action	Principle 1	Board of Directors	Periodically and as required
	Principle 2	Board of Directors	Periodically and as required
	Principle 3	Board of Directors	Periodically and as required
	Principle 4	Board of Directors	Periodically and as required
	Principle 5	Board of Directors	Periodically and as required
	Principle 6	Board of Directors	Periodically and as required
	Principle 7	Board of Directors	Periodically and as required
	Principle 8	Board of Directors	Periodically and as required
	Principle 9	Board of Directors	Periodically and as required
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Principle 1	Board of Directors	Periodically and as required
	Principle 2	Board of Directors	Periodically and as required
	Principle 3	Board of Directors	Periodically and as required
	Principle 4	Board of Directors	Periodically and as required
	Principle 5	Board of Directors	Periodically and as required
	Principle 6	Board of Directors	Periodically and as required
	Principle 7	Board of Directors	Periodically and as required
	Principle 8	Board of Directors	Periodically and as required
	Principle 9	Board of Directors	Periodically and as required

	P1	P2	P3	P4	P5	P6	P7	P8	P9
11 Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.	Yes. CareEdge Advisory conducted a detailed assessment of the Company's existing policy framework by evaluating and aligning it with BRSR requirements. Based on this review, relevant policies were formulated and strategic recommendations were provided to enhance alignment and strengthen compliance with BRSR expectations.								

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

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	NA								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorised as 'Essential' and 'Leadership'. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

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

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	Percentage of persons in respective category covered by the awareness programmes
Board of Directors (BoD)	5	• ESG • Cybersecurity Awareness • Regulatory Update • Risk Management • Insider Trading Regulation	100%
Key Managerial Personnel (KMP)	6	• Cybersecurity Awareness • ESG • Industry Overview and Risk Awareness • Code of Conduct • Prohibition of Insider Trading • Strategy in the Age of AI at INSEAD attended by the CEO	100%
Employees other than BoD and KMP	1080	• Code of Conduct • Client Protection Principle • Fair Practices Code • Cybersecurity • Data Protection and Data Privacy • Human Rights • ESG • Grievance Redressal • POSH	100%
Workers	NA	NA	NA

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by Directors/KMP) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format

(Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (in ₹)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty/fine	Principle 3	Employees' Provident Fund Organisation (EPFO)	₹40,08,000	The amount was paid towards penal damages and interest under Sections 14B and 7Q of the EPF Act	No
Settlement	Nil	Nil	Nil	Nil	Nil
Compounding fee	Nil	Nil	Nil	Nil	Nil

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

Case details	Name of the regulatory/enforcement agencies/judicial institutions
Nil	Nil

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

Yes. The Company has implemented a comprehensive Anti-Corruption and Anti-Bribery Policy to uphold ethical business practices. Accordingly, it maintains a zero-tolerance approach toward bribery and corruption in any form.

The policy is available on the Company's website: Anti-Corruption and Bribery Policy

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

	2025-26 (Current financial year)	2024-25 (Previous financial year)
Directors	Nil	Nil
KMP	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

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

	2025-26 (Current financial year)	2024-25 (Previous financial year)
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMP	Nil	Nil

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest. Not Applicable

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

	2025-26 (Current financial year)	2024-25 (Previous financial year)
Number of days of accounts payables	38 days	38 days

9. Open-ness of business

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

Parameter	Metrics	2025-26 (Current financial year)	2024-25 (Previous financial year)
Concentration of purchases	a. Purchases from trading houses as % of total purchases	Not Applicable due to the nature of business operations	
	b. Number of trading houses where purchases are made from		
	c. Purchases from top 10 trading houses as % of total purchases from trading houses		
Concentration of sales	a. Sales to dealers/ distributors as % of total sales		
	b. Number of dealers/ distributors to whom sales are made		
	c. Sales to top 10 dealers/ distributors as % of total sales to dealers/ distributors		
Shares of RPTs in	a. Purchases (Purchases with related parties/ Total Purchases)		
	b. Sales (Sales to related parties/Total Sales)		
	c. Loans & advances (Loans & advances given to related parties/ Total loans & advances)	-	-
	d. Investments (Investments in related parties/Total Investments made)	0.011%	0.013%

Leadership Indicators

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

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

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

Yes. The Company has adopted a Code of Conduct for the Board of Directors and Senior Management in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Under this Code, Directors and Senior Management Personnel are prohibited from entering into transaction or engaging in practice, directly or indirectly, that could influence them to act contrary to the best interests of the Company.

Weblink: Code of Conduct

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe.

Essential Indicators

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

	2025-26 (Current financial year)	2024-25 (Previous financial year)	Details of improvements in environmental and social impacts
R&D	Nil	Nil	Given its core focus on financial services, the Company's direct R&D and capital expenditures on environmental or social technologies are naturally limited. Instead, resources are strategically channelled into digital platforms and tech-enabled solutions designed to: • Expand customer reach • Drive operational efficiencies • Advance financial inclusion
Capex	Nil	Nil	

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

Yes. The Company actively embeds sustainable sourcing practices throughout its operations. Key environmental initiatives include:

- Renewable Energy Expansion: Upgraded solar-enabled branches from 48 to 56, directly reducing greenhouse gas emissions
- Resource Efficiency: Sustained a significant drop in paper usage via digital workflows and utilised energy-efficient inkjet printers to minimise waste
- Responsible Recycling: Ensured environmental compliance by processing e-waste and UPS batteries exclusively through certified recyclers, supporting a circular economy

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

During the current reporting period, 3.20% of the Company's inputs were sustainably sourced.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

As a financial services organisation, Muthoot Microfin Limited does not manufacture or distribute physical goods. Consequently, traditional frameworks for product reclamation and end-of-life disposal are not directly applicable to its core business operations.

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

Not Applicable

Leadership Indicators

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

NIC Code	Name of product/service	Percentage of total turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by an independent external agency (Yes/No)	Results communicated in the public domain (Yes/ No) If yes, provide the weblink.
			Not Applicable		

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

Name of the product/service	Description of the risk/concern	Action taken
	Not Applicable	

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

Indicate input material	Recycled or re-used input material to total material	
	2025-26 (Current financial year)	2024-25 (Previous financial year)
	Not Applicable	

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

	2025-26 (Current financial year)			2024-25 (Previous financial year)		
	Re-used	Recycled	Safely disposed	Re-used	Recycled	Safely disposed
Plastics (including packaging)	-	-	NA	-	-	NA
E-waste	-	-	0.76	-	-	0.69
Hazardous waste	-	-	NA	-	-	NA
Other waste	-	-	5.36	-	-	5.76

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

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in the respective category
	Not Applicable

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains.

Essential Indicators

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

Category	Percentage of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	10,181	10,181	100%	10,181	100%	Nil	0%	10,181	100%	187	1.84%
Female	837	837	100%	837	100%	837	100%	Nil	0%	120	14.34%
Total	**11,018**	**11,018**	**100%**	**11,018**	**100%**	**837**	**7.60%**	**10,181**	**92.40%**	**307**	**7.60%**
Other than permanent employees											
Male	4,180	4,180	100%	4,180	100%	Nil	0%	Nil	0%	31	0.74%
Female	537	537	100%	537	100%	Nil	0%	Nil	0%	24	4.47%
Total	**4,717**	**4,717**	**100%**	**4,717**	**100%**	**Nil**	**0%**	**Nil**	**0%**	**55**	**1.17%**

b. Details of measures for the well-being of workers:

Category	Percentage of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than permanent employees											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

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

	2025-26 (Current financial year)	2024-25 (Previous financial year)
Cost incurred on well-being measures as a % of total revenue of the Company	0.41%	0.27%

2. Details of retirement benefits, for current financial year and previous financial year:

Benefits	2025-26 (Current financial year)			2024-25 (Previous financial year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with authority (Y/N/N.A.)
PF	99.93%	NA	Y	99.96%	NA	Y
Gratuity	100%	NA	Y	100%	NA	Y
ESI	58.16%	NA	Y	66.87%	NA	Y
Others* – please specify	0.07%	NA	Y	0.04%	NA	Y

**Stipend*

3. Accessibility of workplaces

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

The Company is progressively enhancing both physical and cultural accessibility across its premises to support differently-abled employees. In line with this ongoing commitment, key interventions include:

- Infrastructure Upgrades: Installing ramps at branch entrances to ensure barrier-free mobility
- Facility Enhancements: Equipping key office locations with designated, accessible washroom facilities
- Culture and Sensitisation: Conducting comprehensive awareness and inclusion training programmes to foster a supportive and empathetic workplace environment

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

Yes. The Company has an Equal Oppaortunity Policy that reflects its commitment to promoting an inclusive and non-discriminatory work environment.

The policy ensures equal opportunities in recruitment, career growth, and workplace facilities for all employees, including persons with disabilities. The policy is available on the Company's website.

Weblink: Equal Opportunity Policy

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

	Permanent employees		Permanent workers	
Gender	**Return to work rate**	**Retention rate**	**Return to work rate**	**Retention rate**
Male	99%	99.40%	NA	-
Female	62%	84%	NA	-
Total	**94%**	**97%**	**NA**	**-**

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

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent workers	NA
Other than permanent workers	NA
Permanent employees	Yes. The Company has established a formal Grievance Redressal Mechanism to address employee concerns constructively and efficiently, thereby fostering a positive work environment. This framework is overseen by an Employee Grievance Cell at the Head Office, with the Human Resources (HR) Department serving as the central nodal body for its administration. Key Process Highlights: • Accessible Reporting Channels: Employees can seamlessly register their concerns via multiple platforms, including phone, Email, the internal HR360 portal, a dedicated mobile application, or formal written communication • Structured Review and Escalation: Upon receipt, the HR team reviews the grievance and, where required, seeks clarification before escalating it to the designated departmental official for resolution • Time-Bound Resolution: The Company mandates a strict service level agreement, aiming to address and resolve all grievances within seven working days, after which the HR team transparently communicates the final outcome to the employee • Executive Accessibility: To further champion an open and responsive workplace culture, the Chief Executive Officer (CEO) remains directly accessible to employees for the escalation of unresolved concerns
Other than permanent employees	

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

Benefits	**2025-26 (Current financial year)**			**2024-25 (Previous financial year)**		
	Total employees/ workers in the respective category (A)	**No. of employees/ workers in the respective category who are part of association(s) or Union (B)**	**% (B/A)**	**Total employees/ workers in the respective category (C)**	**No. of employees/ workers in the respective category who are part of association(s) or Union (D)**	**% (D/C)**
Total permanent employees	**NA**	**NA**	**-**	**NA**	**NA**	**-**
Male	NA	NA	-	NA	NA	-
Female	NA	NA	-	NA	NA	-
Total permanent workers	**NA**	**NA**	**-**	**NA**	**NA**	**-**
Male	NA	NA	-	NA	NA	-
Female	NA	NA	-	NA	NA	-

8. Details of training given to employees and workers:

Category	2025-26 (Current financial year)					2024-25 (Previous financial year)				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	14,361	11,227	78.18%	11,680	81.33%	14,957	10,562	70.62%	10,891	72.82%
Female	1,374	1,297	94.40%	1,024	74.53%	1,032	668	64.73%	580	56.20%
Total	**15,735**	**12,524**	**79.59%**	**12,704**	**80.74%**	**15,989**	**11,230**	**70.24%**	**11,471**	**71.74%**
Workers										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

9. Details of performance and career development reviews of employees and workers:

Category	2025-26 (Current financial year)			2024-25 (Previous financial year)		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	14,361	14,142	98.48%	14,957	14,581	97.49%
Female	1,374	1,140	82.97%	1,032	989	95.83%
Total	**15,735**	**15,282**	**97.12%**	**15,989**	**15,570**	**97.38%**
Employees						
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Total	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

10. Health and safety management system:

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

Yes. Muthoot Microfin Limited is committed to maintaining a safe, secure, and healthy work environment for all employees, governed by a comprehensive Occupational Health & Safety (OHS) Policy.

To ensure the highest standards of workplace safety, the Company has implemented the following key measures:

- Infrastructure and Security: Equipping all offices with strong fire safety systems, including extinguishers, alarms, and sprinklers, in strict adherence to regulatory requirements and are monitored through comprehensive CCTV surveillance to enhance overall security
- Field Employee Protection: Safeguarding employees who travel frequently for customer engagements through clearly defined Standard Operating Procedures (SOPs), regular safety audits, and targeted risk mitigation measures
- Training and Awareness: Delivering mandatory training programmes focused on hazard identification, role-specific health and safety practices, and effective emergency response procedures
- Emergency Preparedness: Conducting regular safety drills and establishing clear, actionable response protocols for fire incidents, natural disasters, and medical emergencies with the latter supported by the M-SWASTH healthcare programme

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

The Company employs a proactive, multi-layered approach to identifying and mitigating occupational hazards across its operations. Key practices include:

- Continuous Monitoring and Reporting: Conducting regular workplace inspections, systematically analysing historical incidents and near-miss events, and actively encouraging employee-led safety reporting

- Cross-Functional Oversight: Mandating periodic branch and field evaluations by the Internal Audit, Business Support (Quality Control), Risk Management, and senior field teams to promptly identify deviations and execute timely corrective actions
- Safety Training and Awareness: Delivering regular, targeted training programmes designed to continuously enhance employee awareness of vital occupational health and safety protocols

c) Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)

Yes. Muthoot Microfin Limited maintains a formal employee grievance redressal mechanism designed to ensure that all workplace concerns are addressed in a fair and timely manner.

This structured mechanism is driven by the following core objectives:

- Promoting Open Communication: Fostering a culture of transparency where employees are encouraged to raise concerns constructively
- Safeguarding Employee Rights: Ensuring equitable treatment and actively protecting the fundamental rights of all staff members
- Fostering a Positive Culture: Supporting the continuous development of a transparent, inclusive, and positive work environment

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

Yes. The Company provides comprehensive employee welfare support, including insurance coverage, Employees' State Insurance (ESI), access to basic healthcare services, and online doctor consultations facilitated through the M-Swasth platform.

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

Safety incident/number	Category	2025-26 (Current financial year)	2024-25 (Previous financial year)
Lost Time Injury Frequency Rate (LTIFR) (per one million person-hours worked)	Employees	5.95	5.31
	Workers	NA	NA
Total recordable work-related injuries	Employees	220	49
	Workers	NA	NA
No. of fatalities	Employees	10	11
	Workers	NA	NA
High-consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	NA	NA

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

Muthoot Microfin Limited is deeply committed to ensuring a safe and secure work environment through a proactive and comprehensive health and safety framework.

To safeguard employee wellbeing and ensure continuous compliance with safety standards, the Company has implemented the following measures:

- Proactive Risk Mitigation: Conducting regular risk assessments, safety audits, and periodic branch inspections to promptly identify and address potential workplace hazards
- Comprehensive Training and Preparedness: Equipping employees with essential training on safety protocols, emergency response procedures, evacuation drills, and first-aid practices
- Rigorous Infrastructure Validation: Mandating strict structural and operational safety validations prior to the acquisition or leasing of any new branch or office premises
- Hazard Prevention and Emergency Response: Installing necessary fire safety systems, implementing preventive measures against electrical hazards, and maintaining comprehensive emergency response plans for fires, natural disasters, and medical emergencies
- Strategic Location Planning: Actively mitigating climate-related physical risks by avoiding the acquisition of ground-floor premises in known flood-prone areas

These collective initiatives underscore the Company's dedication to fostering a resilient workplace where employees feel secure, valued, and empowered to perform their responsibilities safely.

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

Benefits	2025-26 (Current financial year)			2024-25 (Previous financial year)		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working conditions	Nil	Nil	Nil	Nil	Nil	Nil
Health and safety	Nil	Nil	Nil	Nil	Nil	Nil

14. Assessments for the year:

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

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

Not Applicable

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of the death of (A) Employees (Yes/No) (B) Workers (Yes/No).

Yes. The Company provides comprehensive life insurance to safeguard employees' families in the event of an unforeseen demise.

This vital financial protection includes:s

- Support for Dependants: Ensures robust financial assistance for families during critical times
- Substantial Coverage: Extends up to ₹ 2 crores to guarantee significant security

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

To ensure that statutory dues are accurately deducted and deposited by its value chain partners, the entity has implemented a structured compliance framework comprising the following measures:

- **Vendor Due Diligence:** Conducting comprehensive background and compliance checks on partners prior to onboarding.
- **Contractual Clauses:** Incorporating strict legally binding compliance requirements and obligations regarding statutory dues within partner agreements.
- **Declarations:** Requiring periodic formal compliance statements and confirmations from partners affirming that all dues have been correctly processed.
- **Audit Checks:** Implementing regular, systematic reviews and verifications of partner financial and compliance records.
- **Escalation Processes:** Maintaining a defined, structured mechanism to report, address, and rectify any detected non-compliance or deviations by value-chain partners.

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

Gender	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	2025-26 (Current financial year)	2024-25 (Previous financial year)	2025-26 (Current financial year)	2024-25 (Previous financial year)
Employees	NA		NA	
Workers				

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

Yes. The Company ensures a seamless transition for employees by offering robust retirement benefits. To provide crucial financial stability following retirement or separation from the organisation, the following provisions are made:

- Gratuity
- Leave Encashment
- Pension

5. Details on assessment of value chain partners :

Case details	Percentage of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Nil
Working conditions	Nil

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

Not Applicable

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all their stakeholders.

Essential Indicators

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

The Company employs a structured methodology to identify and engage key stakeholder groups, carefully assessing their mutual impact and influence on value creation.

Identification and Classification:

- Evaluation Criteria: Stakeholders are systematically assessed based on their dependency, influence, accountability, potential vulnerability, and the overall urgency of engagement
- Internal Stakeholders: Employees and shareholders
- External Stakeholders: Customers, investors, communities, regulatory authorities, and business partners

Engagement Strategy and Review:

- Targeted Engagement: Interactions are strategically aligned with each group's relative significance, level of interest, and potential impact on strategic business outcomes
- Continuous Alignment: The Company periodically reviews and updates its stakeholder mapping to ensure continued relevance and responsiveness to evolving business priorities, emerging risks, and shifts in the broader operating environment

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

Stakeholder group	Whether identified as vulnerable and marginalised group (Yes/No)	Channels of communication (Email, SMS, newspaper, pamphlets, advertisement, community meetings, notice board, website), other	Frequency of engagement (Annually/half-yearly/quarterly/ others – please specify)	Purpose and scope of engagement, including key topics and concerns raised during such engagement
Customer	Yes	• Text Messaging (SMS) • Telephonic Support • Corporate Website • In-person Centre Meetings • Branch Visits	Continuous and on an as-needed basis	• Facilitating loan services • Resolving customer queries • Proactively addressing grievances

Stakeholder group	Whether identified as vulnerable and marginalised group (Yes/No)	Channels of communication (Email, SMS, newspaper, pamphlets, advertisement, community meetings, notice board, website), other	Frequency of engagement (Annually/half-yearly/quarterly/ others – please specify)	Purpose and scope of engagement, including key topics and concerns raised during such engagement
Employee	No	• Text Messaging (SMS) • Phone Calls • Internal Emails • Company Website • HRMS Platform • Strategic Meetings • Formal Training Sessions	Continuous and on an as-needed basis	• Conducting upskilling programmes • Managing performance appraisals • Gathering actionable feedback Addressing grievances • Facilitating rewards and recognition
Shareholders & Investors	No	• Investor and Analyst Conference Calls • Quarterly Earnings Disclosures • General Body Meetings • Annual Reports • Press Releases • Corporate Website	Continuous, with scheduled quarterly and annual touchpoints.	• Providing regular updates on overall business performance and addressing specific investor inquiries
Government and regulatory bodies	No	• Digital Communications (SMS/Email) • Phone Calls • Official Regulatory Filings • Formal Meetings • Company Website	At regular intervals and as required by circumstances.	• Maintaining strict regulatory compliance • Upholding robust corporate governance • Responding to official requests for clarification • Ensuring the timely settlement of statutory dues and taxes
Communities	Yes, beneficiaries of CSR initiatives	• Text Messaging • Phone Conversations • Email Correspondence • Community Meetings • Corporate Website	At regular intervals and as required by circumstances.	• Driving societal development and well-being • Enhancing local livelihoods • Championing environmental conservation efforts
Lenders, media and other business partners	No	• Text Messaging • Phone Calls • Email Communications • Formal Meetings • Corporate Website	At regular intervals and as required by circumstances.	• Sharing updates on ongoing business operations and financial outcomes • Addressing key issues and operational concerns

Leadership Indicators

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

   Muthoot Microfin is committed to creating sustainable, long-term value across its entire stakeholder ecosystem, including employees, customers, partners, vendors, government bodies, and the wider community.

   To ensure its operations effectively address stakeholder needs and expectations, the Company has implemented a structured approach:

   - Comprehensive Materiality Assessment: The Company conducted a comprehensive engagement exercise to identify and prioritise key Environmental, Social, Governance (ESG), and economic issues relevant to its operations

- Risk Mapping and Mitigation: Each identified material issue was systematically mapped against potential business risks to formulate targeted and robust mitigation strategies
- Leadership Alignment: The outcomes of this assessment were reviewed by senior leadership and the Board of Directors, ensuring the Company's sustainable growth strategy remains deeply aligned with core stakeholder priorities
- Tailored Engagement Channels: Interactions are conducted continuously, on both a regular and need-based basis, utilising online and offline modes, and are tailored to the specific nature and preferences of each stakeholder group
- Board Oversight: The Board is kept apprised of significant developments through regular updates, and their feedback is actively integrated into the Company's strategic decision-making processes

2. Whether stakeholder consultation is used to support identification and management of environmental and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes. Stakeholder feedback and suggestions form an integral component of the Company's strategic decision-making process. Engagement is treated as a continuous, evolving practice conducted across diverse channels to ensure maximum relevance and responsiveness.

Key outcomes of engagement:

- Materiality Identification: Material issues are systematically identified by evaluating their significance to both internal and external stakeholders, while also evaluating their potential impact on core business operations
- ESG Strategic Alignment: These critical stakeholder insights serve as foundational inputs for defining, shaping, and advancing the Company's Environmental, Social, and Governance (ESG) goals and long-term sustainability targets

For a detailed overview of the material issues identified through the stakeholder engagement process, please refer to Section A – Q26.

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

Muthoot Microfin's operational model is fundamentally driven by the dual objectives of fostering inclusive growth and advancing women's entrepreneurship.

Key pillars of this socio-economic approach include:

- Empowering Women Entrepreneurs: Providing targeted, income-generating loans to women operating small-scale businesses to foster economic independence and self-reliance
- Driving Financial Inclusion: Ensuring that underserved and rural communities have reliable access to affordable, timely, and transparent financial services
- Sustainable CSR Alignment: Complementing core business operations with Corporate Social Responsibility (CSR) initiatives specifically designed to empower marginalised groups and create long-term social and economic value

During the financial year, the Company conducted the 'Jagaran' campaign, under which financial literacy programmes were organised for the general public across 13 states.

PRINCIPLE 5: Businesses should respect and promote human rights.

Essential Indicators

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

Category	2025-26 (Current financial year)			2024-25 (Previous financial year)		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
		Employees				
Permanent	11,018	10,602	96.22%	10,646	4,677	43.93%
Other than permanent	4,717	4,210	89.25%	5,343	2,084	39.00%
Total employees	**15,735**	**14,812**	**94.13%**	**15,989**	**6,761**	**42.29%**
		Workers				
Permanent	NA	NA	NA	NA	NA	NA
Other than permanent	NA	NA	NA	NA	NA	NA
Total workers	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

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

Category	2025-26 (Current financial year)					2024-25 (Previous financial year)				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	11,018	87	0.79%	10,931	99.21%	10,646	892	8.38%	9,754	91.62%
Male	10,181	71	0.70%	10,110	99.30%	10,122	735	7.26%	9,387	92.74%
Female	837	16	1.91%	821	98.09%	524	157	29.96%	367	70.04%
Other than permanent	4,717	86	1.82%	4,631	98.18%	5,343	527	9.86%	4,816	90.14%
Male	4,180	72	1.72%	4,108	98.28%	4,835	395	8.17%	4,440	91.83%
Female	537	14	2.61%	523	97.39%	508	132	25.98%	376	74.02%
Workers										
Permanent	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than permanent	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

3. Details of remuneration/salary/wages

a. Median remuneration/wages:

Gender	Male		Female	
	Number	Median remuneration/ salary/wages of the respective category (in ₹)	Number	Median remuneration/ salary/wages of the respective category (in ₹)
Board of Directors (BoD)	8	8,30,000	2	8,45,000
Key Managerial Personnel	3	1,04,63,150	1	59,78,150
Employees other than BoD and KMP	14,358	2,74,000	1,373	2,40,000
Workers	NA	NA	NA	NA

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

	2025-26 (Current financial year)	2024-25 (Previous financial year)
Gross wages paid to females as % of total wages	7.43%	5.22%

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

Yes. The Company has constituted a Prevention of Sexual Harassment Committee (PSHC) at the workplace for addressing and resolving all complaints pertaining to sexual harassment at workplace.

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

The Company provides a structured and highly accessible framework for employees to raise and resolve workplace grievances efficiently.

The redressal workflow operates as follows:

- Accessible Reporting Channels: Employees may register concerns via phone, Email, the internal HR360 portal, a dedicated mobile application, or formal written communication
- Initial HR Review: Upon receipt, the Human Resources (HR) Department evaluates the grievance, seeking further clarification from the employee if necessary to ensure a complete understanding of the issue

- Documentation and Escalation: The matter is formally documented and routed to the designated authority within the relevant department for targeted action
- Time-Bound Resolution: The concerned departmental official is mandated to respond within seven working days
- Transparent Closure: Once a resolution is reached, the HR Department communicates the outcome back to the employee to ensure proper closure
- Executive Accessibility: To further champion a culture of openness and support, the Chief Executive Officer (CEO) remains directly accessible to engage with employees regarding their concerns

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

Benefits	**2025-26 (Current financial year)**			**2024-25 (Previous financial year)**		
	Filed during the year	**Pending resolution at the end of the year**	**Remarks**	**Filed during the year**	**Pending resolution at the end of the year**	**Remarks**
Sexual harassment	Nil	Nil	-	Nil	Nil	Nil
Discrimination at workplace	Nil	Nil	-	Nil	Nil	Nil
Child labour	Nil	Nil	-	Nil	Nil	Nil
Forced labour/involuntary labour	Nil	Nil	-	Nil	Nil	Nil
Wages	Nil	Nil	-	Nil	Nil	Nil
Other human rights-related issues	368	Nil	-	262	Nil	Nil

**Others: 368 (Complaints categorised under 'Others' pertained to matters such as attendance, compensation, transfers, EPF, Mediclaim, and exit procedures. All such issues were duly addressed and resolved within the stipulated timeframe.)*

**Note: Complaints categorised under 'Other' pertained to matters such as attendance, compensation, transfers, EPF, Mediclaim, and exit procedures. All such issues were duly addressed and resolved within the stipulated timeframe.*

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

	2025-26 (Current financial year)	**2024-25 (Previous financial year)**
Total complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees/workers	0.00%	0.00%
Complaints on POSH upheld	NA	NA

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

The Company remains committed to cultivating a workplace that is entirely free from discrimination and grounded in dignity, inclusivity, and mutual respect.

To uphold these standards, the Company enforces the following principles:

- Prompt Redressal: All complaints regarding discrimination are rigorously reviewed and investigated, with appropriate disciplinary action taken wherever necessary to promptly address and prevent any inappropriate behaviour
- Collective Responsibility: Fostering an inclusive and respectful work environment is regarded as a shared responsibility, and therefore, requires the active participation and commitment of all employees
- Vigilance and Reporting: The Company strongly encourages both employees and job applicants to immediately report any incidents, concerns, or suspicions of discrimination encountered during official duties, company-sponsored events, or at any stage of the recruitment process

Complaints may be submitted in writing through the designated channels at grievance@muthootmicrofin.com or whistleblower@muthootmicrofin.com.

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

Yes

10. Assessments for the year:

Case details	Percentage of your plants and offices that were assessed (by the entity or statutory authorities or third parties)
Child labour	100% (Internal Assessment)
Forced/involuntary labour	100% (Internal Assessment)
Sexual harassment	100% (Internal Assessment)
Discrimination at workplace	100% (Internal Assessment)
Wages	100% (Internal Assessment)
Others – please specify	-

11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.

Nil

Leadership Indicators

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

Initiated in response to insights from an internal employee survey, the MML Communication Meet serves as a dedicated platform for open dialogue and cross-functional collaboration. Through this collaborative framework, the Company launched 'PARIVARTHAN', its inaugural digital collection initiative.

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

The Company integrates respect for human rights across its operations, policies, and stakeholder interactions, ensuring that these principles are consistently reflected in its practices and engagements.

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

Yes. The Company is actively enhancing physical accessibility across its locations to foster a more inclusive environment.

Key ongoing efforts include:

- Infrastructure Upgrades: Installing essential features such as ramps, handrails, and wheelchair-accessible entrances at numerous locations
- Phased Expansion: Systematically extending these accessibility enhancements to remaining premises in a structured approach to achieve broader compliance standards

4. Details on assessment of value chain partners:

Case details	Percentage of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	Nil
Discrimination at workplace	Nil
Child labour	Nil
Forced labour/involuntary labour	Nil
Wages	Nil
Others – please specify	Nil

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

No such instance has been reported to the Company.

Principle 6: Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators

1. Details of total energy consumption (in joules or multiples) and energy intensity in the following format:

Parameter	Unit	2025-26 (Current financial year)	2024-25 (Previous financial y ear)
From renewable sources			
Total electricity consumption (A)	GJ	980.06	839.81
Total fuel consumption (B)	-	-	-
Energy consumption through other sources (C)	-	-	-
Total energy consumed from renewable sources (A+ B + C)	**GJ**	**980.06**	**839.81**
From non-renewable sources			
Total electricity consumption (D)	GJ	61,093.87	59,574.74
Total fuel consumption (E)	-	-	-
Energy consumption through other sources (F)	-	-	-
Total energy consumed from non-renewable sources (D + E + F)	**GJ**	**61,093.87**	**59,574.74**
Total energy consumed (A + B + C + D + E + F)	**GJ**	**62,073.94**	**60,414.55**
Energy intensity per ₹ of turnover (Total energy consumption/Revenue from operations)	GJ/ turnover in crores	26.07*	23.08*
Energy intensity per ₹ of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/Revenue from operations adjusted for PPP)	GJ/ turnover adjusted for PPP in crores	530.34*	463.43*
Energy intensity in terms of physical output	GJ/FTE	5.63*	5.67*
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-	-

**The numbers for the previous years have been revised in accordance with the changed methodology used for calculation.*

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Yes/No) If yes, the name of the external agency.: No

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Yes/No) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable

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

Parameter	2025-26 (Current financial year)	2024-25 (Previous financial y ear)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third-party water	1,56,820.77	1,52,535.06
(iv) Seawater/desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**1,56,820.77**	**1,52,535.06**
Total volume of water consumption (in kilolitres)	**1,56,820.77**	**1,52,535.06**
Water intensity per ₹ of turnover (Total water consumption/Revenue from operations)	65.87	58.27

Parameter	2025-26 (Current financial year)	2024-25 (Previous financial y ear)
Water intensity per ₹ of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP)	1,339.84	1,170.08
Water intensity in terms of physical output	14.23	14.33
Water intensity (optional) – the entity may select the relevant metric	-	-

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, the name of the external agency: No

4. Provide the following details related to water discharged:

Parameter	2025-26 (Current financial year)	2024-25 (Previous financial year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To surface water	NA	NA
No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
(ii) To groundwater	NA	NA
No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
(iii) To seawater	NA	NA
No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
(iv) Sent to third-parties	NA	NA
No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
(v) Others	1,56,820.77	1,52,535.06
No treatment	1,56,820.77	1,52,535.06
With treatment – please specify level of treatment	NA	NA
Total water discharged (in kilolitres)	**1,56,820.77**	**1,52,535.06**

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

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

Not Applicable. As a financial services provider, the Company uses water solely for human consumption.

6. Please provide details of air emissions (other than GHG emissions) by the entity in the following format:

Parameter	Please specify unit	2025-26 (Current financial year)	2024-25 (Previous financial year)
NOx	-	NA	NA
SOx	-	NA	NA
Particulate matter (PM)	-	NA	NA
Persistent organic pollutants (POP)	-	NA	NA
Volatile organic compounds (VOC)	-	NA	NA
Hazardous air pollutants (HAP)	-	NA	NA
Others – please specify	-	NA	NA

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Yes/No) If yes, the name of the external agency: No

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and their intensity in the following format:

Parameter	Unit	2025-26 (Current financial year)	2024-25 (Previous financial year)
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF6, NF_3, if available)	Metric tonnes of CO_2 equivalent	Nil	Nil
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	12,049.07	11,749.46
Total Scope 1 and Scope 2 emissions per ₹ of turnover (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations)	tCO_2e/turnover in crores	5.06*	4.49*
Total Scope 1 and Scope 2 emission intensity per ₹ of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations adjusted for PPP)	tCO_2e/turnover adjusted for PPP in crores	102.94*	90.13*
Total Scope 1 and Scope 2 emission intensity in terms of physical output	tCO_2e/FTE	1.09*	1.10*
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

**The numbers for the previous years have been revised in accordance with the changed methodology used for calculation.*

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Yes/No) If yes, the name of the external agency: No

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

Yes. The Company is actively reducing its greenhouse gas emissions by accelerating the adoption of renewable energy solutions.

Key clean energy initiatives include:

- Solar Infrastructure Expansion: Equipping 56 branches successfully with solar-powered UPS systems, reflecting a continuous rollout of clean energy across the network
- Emissions Reduction: Decreasing reliance on conventional electricity to significantly lower the carbon footprint of day-to-day operations
- Strategic Scaling: Committing to the gradual, ongoing expansion of renewable energy adoption to support broader sustainability objectives

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

Parameter	2025-26 (Current financial year)	2024-25 (Previous financial year)
Total waste generated (in metric tonnes)		
Plastic waste **(A)**	NA	NA
E-waste **(B)**	0.76	0.69
Bio-medical waste **(C)**	NA	NA
Construction and demolition waste **(D)**	NA	NA
Battery waste **(E)**	4.58	5.18
Radioactive waste **(F)**	NA	NA
Other hazardous waste. Please specify, if any. **(G)**	NA	NA
Other non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	5.36	5.76
Total (A + B + C + D + E + F + G + H)	**10.70**	**11.63**

Parameter	2025-26 (Current financial year)	2024-25 (Previous financial year)
Waste intensity per ₹ of turnover (Total waste generated/Revenue from operations)	0.0045	0.0044
Waste intensity per ₹ of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/Revenue from operations adjusted for PPP)	0.0914	0.0892
Waste intensity in terms of physical output	0.0009	0.0010
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	NA	NA
(ii) Re-used	NA	NA
(iii) Other recovery operations	NA	NA
Total	**NA**	**NA**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	NA	NA
(ii) Landfilling	NA	NA
(iii) Other disposal operations	10.70	11.63
Total	**10.70**	**11.63**

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, the name of the external agency: No

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

The Company generates minimal waste and ensures all disposal is conducted responsibly through authorised municipal systems and certified recyclers.

Its structured approach to waste management includes:

- **E-Waste and Lifecycle Management:** Electronic waste, primarily IT equipment and UPS batteries, is strictly disposed of through certified recyclers, while functional equipment is repaired and reused where feasible to extend asset life and reduce overall waste
- **Paper and Plastic Reduction:** The Company minimises paper consumption through process digitalisation and controlled printing practices, while ensuring environmentally responsible disposal of physical records and restricting plastic across operations
- **Wet Waste and Effluents:** Segregated wet waste from office cafeterias is managed through local municipal collection systems, while wastewater is handled in strict compliance with local regulatory requirements, ensuring no untreated discharge into the environment
- **Hazardous Materials and Compliance:** Operating outside the manufacturing sector, the Company does not utilise toxic chemicals, and all operational waste streams are rigorously managed through approved, environmentally compliant channels to support broader sustainability objectives

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

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

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws in the current financial year

Name and brief details of project	EIA notification no.	Date	Whether conducted by an independent external agency (Yes/No)	Results communicated in the public domain (Yes/No)	Relevant weblink
Nil					

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

S. no.	Specify the law/ regulation/ guidelines which were not complied with	Provide details of the non-compliance	Any fines/penalties/action taken by regulatory agencies such as Pollution Control Boards or by courts	Corrective action taken, if any
Yes. The Company complies with all the applicable environmental laws, regulation and guidelines in India.				

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility/plant located in areas of water stress, provide the following information:

(i) Name of the area: Not Applicable

(ii) Nature of operations: Not Applicable

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	2025-26 (Current financial year)	2024-25 (Previous financial year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	NA	
(ii) Groundwater		
(iii) Third-party water		
(iv) Seawater/desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres)		
Total volume of water consumption (in kilolitres)		
Water intensity per ₹ of turnover (Water consumed/turnover)		
Water intensity (optional) – the entity may select the relevant metric		
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into surface water	**NA**	
No treatment		
With treatment – please specify the level of treatment		
(ii) Into groundwater		
No treatment		
With treatment – please specify the level of treatment		
(iii) Into seawater		
No treatment		
With treatment – please specify the level of treatment		
(iv) Sent to third parties		
No treatment		
With treatment – please specify the level of treatment		
(v) Others		
No treatment		
With treatment – please specify the level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/evaluation/assurance carried out by an external agency? (Yes/No) If yes, the name of the external agency: No

2. Please provide details of total Scope 3 emissions & their intensity in the following format:

Parameter	Unit	2025-26 (Current financial year)	2024-25 (Previous financial year)
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF6, NF_3, if available)	Metric tonnes of CO_2 equivalent	12,520.19	11,687.35
Total Scope 3 emissions per ₹ of turnover	tCO_2e/crores	5.26	4.46
Total Scope 3 emission intensity (optional) – the entity may select the relevant metric	-	-	-

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Yes/No) If yes, the name of the external agency: No

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

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

S. no.	Initiative undertaken	Details of the initiative (Weblink, if any, may be provided along with summary)	Outcome of the initiative
1	• Desktops and Laptops are set to Standby mode in an idle time of 5-10 minutes • Replacing Desktops with Laptops in Branches • Usage of LED Bulbs across the Offices • Usage of R410A Refrigerants • Replacement of Dot Matrix and Laser Printers with Inkjet Printers • Reduced 90% of paper usage by digitisation in various processes • Encourages usage of public transport and vehicle pooling • Drastically reduced the use of Toilet papers • Drastically reduced the usage of Plastic by 70% through Digitalisation and other means		• Thus, reducing the consumption of electricity • Thus, reducing the consumption of electricity • Thus, reducing the consumption of electricity • Making it more environmentally friendly • Helps to reduce Carbon footprints • Significant reduction in paper usage minimises deforestation and reduces waste generation, leading to the conservation of natural resources Conserve fuel to reduce Carbon footprints • Minimises deforestation and reduces waste generation, leading to the conservation of natural resources • Making more environmentally friendly and reduction in GHG

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/weblink.

Muthoot Microfin Limited maintains a strong Information Security Management System (ISMS) with comprehensive Business Continuity Planning (BCP) embedded at its core, safeguarding its operations.

To ensure continuous service delivery and protect long-term financial health, the Company has implemented the following framework:

- Proactive Preparedness: The Company conducts regular Information Security Risk Assessments and enforces a dedicated Business Continuity Policy to governs all critical IT systems, ensuring a structured approach to risk management and preparedness

- Validation and Testing: The IT team executes periodic Disaster Recovery Drills to assess the effectiveness of the BCP framework and ensure service continuity during potential business disruptions
- Strategic Resilience: The Company continuously assess its disruption readiness to protect operational stability and maintain competitive edge over both the short and long term
- Global Standards Alignment: As part of the Muthoot Pappachan Group (MPG), the Company's Business Continuity Management System (BCMS) is strictly aligned with ISO 22301:2012 and incorporates relevant provisions of ISO 27002:2013 (Control Group 17) to address information security considerations within business continuity planning

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

Nil

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

Nil

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

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

The Company is a member of two industry chambers/associations.

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

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

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

Name of authority	Brief of the case	Corrective action taken
	Nil	

Leadership Indicators

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

S. no.	Public policy advocated	Method resorted for such advocacy	Whether information available in the public domain? (Yes/No)	Frequency of review by board (Annually/half-yearly/ quarterly/others – please specify)	Weblink, if available
			Nil		

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development.

Essential Indicators

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

Name and brief details of the project	SIA notification no.	Date of notification	Whether conducted by an independent external agency (Yes/No)	Results communicated in the public domain (Yes/No)	Relevant weblink
			Nil		

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

S. no.	Name of the project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	Percentage of PAFs covered by R&R	Amounts paid to PAFs in the financial year (in ₹)
NA						

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

Muthoot Microfin has implemented a structured grievance redressal mechanism for customers and stakeholders to address concerns in a timely and equitable manner. This approach reinforces the Company's dedication to transparency and a customer-focused approach.

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

	2025-26 (Current financial year)	2024-25 (Previous financial year)
Directly sourced from MSMEs/small producers	78%	75%
Directly from within India	100%	100%

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

Location	2025-26 (Current financial year)	2024-25 (Previous financial year)
Rural	86.11%	86.02%
Semi-urban	-	-
Urban	4.65%	5.08%
Metropolitan	9.24%	8.90%

(Place to be categorised as per RBI Classification System - rural/semi-urban/urban/metropolitan)

Leadership Indicators

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

Details of negative social impact identified	Corrective action taken
NA	

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

S. no.	State	Aspirational district	Amount spent (in ₹)
1	Karnataka	Yadagiri	3,60,000
2	Karnataka	No Aspirational District Involved	
3	West Bengal	No Aspirational District Involved	

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups? (Yes/No)

(b) From which marginalised/vulnerable groups do you procure?

(c) What percentage of total procurement (by value) does it constitute?

Given the nature of its operations in the financial services sector, the Company's procurement requirements are inherently limited. For routine operational needs, such as daily consumables, it sources from local vendors at fair prices.

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

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

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

Name of authority	Brief of the case	Corrective action taken
	NA	

6. Details of beneficiaries of CSR Projects:

S. no.	CSR project	No. of persons benefitted from CSR projects	Percentage of beneficiaries from vulnerable and marginalised groups
1	Muthoot Football Academy	36	
2	Muthoot Volleyball Academy	90	100%
3	Muthoot Blue Spikers (MVA Offshoot)	5	100%
4	MPCES Consultancy - External Resources	-	100%
5	Smile Please missions including Nutrition	108	100%
6	MPCES Sports Infrastructure (Palakkad)	-	100%
7	JAGARAN CSR Campaign	2,651	100%

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner.

Essential Indicators

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

Muthoot Microfin Limited operates a strong, three-tier grievance redressal framework designed to ensure the transparent, accessible, and time-bound resolution of customer feedback and complaints.

The Three-Tier Escalation Framework

- **Tier 1 -** Branch Level Resolution: Customers can raise complaints directly at their local branch, where grievances are formally documented in a complaint register and managed by the Branch Manager
- **Tier 2 -** Dedicated Central Support: If a resolution is not achieved at the branch level, customers can escalate their concerns through the toll-free helpline (1800 1027 631) or through email (mmlcomplaints@muthootmicrofin.com)
- **Tier 3 -** Head Office Appellate: Final internal escalation is directed to the designated Appellate Authority stationed at the Head Office

Operational Mechanisms and Timelines

- Systematic Tracking: Each grievance is assigned a unique reference number, enabling effective tracking, timely follow-ups, and transparent communication of the resolution
- Mandated Timelines: The system enforces strict service level agreements, with an initial resolution target of 7 days and a maximum overall turnaround time of 30 days from the date of registration
- External Recourse: Should an issue remain unresolved within the internal framework, customers can escalate the matter to external regulatory authorities, such as the Microfinance Institutions Network (MFIN) or the Reserve Bank of India (RBI) Ombudsman

Weblink: Grievance Redressal Mechanism

2. Turnover of products and/services as a percentage of turnover from all products/services that carry information about: Not applicable, given the nature of the Company's business, as it operates within the financial services sector.

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

3. Number of consumer complaints in respect of the following

Benefits	2025-26 (Current financial year)			2024-25 (Previous financial year)		
	Received during the year	Pending resolution at the end of the year	Remarks	Received during the year	Pending resolution at the end of the year	Remarks
Data privacy	Nil	Nil	-	Nil	Nil	-
Advertising	Nil	Nil	-	Nil	Nil	-
Cybersecurity	Nil	Nil	-	Nil	Nil	-
Delivery of essential services	Nil	Nil	-	Nil	Nil	-
Restrictive trade practices	Nil	Nil	-	Nil	Nil	-
Unfair trade practices	Nil	Nil	-	Nil	Nil	-
Other*	3,527	416	-	1,467	38	-

**Other - Complaint categories are as follows:*

*Other - complaint category	2025-26 (Current financial year)			2024-25 (Previous financial year)		
	Received during the year	Pending resolution at the end of the year	Remarks	Received during the year	Pending resolution at the end of the year	Remarks
Cash misappropriation	1,722	244	-	344	19	-
Insurance claim settlement	794	23	-	348	10	-
Recovery practices	322	41	-	202	7	-
Updation/dispute on data in Credit Information Report	262	48	-	34	-	-
Updation of repayment records	127	9	-	133	1	-
Third-party products related	125	14	-	36	1	-
Not MML customer	53	-	-	-	-	-
Loan renewal	28	24	-		-	-
Digital transactions	26	3	-	16	-	-
Excessive charges	22	3	-	15	-	-
Refund related	20	3	-	13	-	-
Fraud conducted by staff	17	4	-	275	-	-
Fraud conducted by external agencies	8		-	14	-	-
Interest rates	-	-	-	1	-	-
Misselling	-	-	-	8	-	-
Others	1	-	-	28	-	-
Total	3,527	416	-	1,467	38	-

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

State	Number	Reasons for recall
Voluntary recalls	NA	NA
Forced recalls	NA	NA

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

Yes. The Company enforces a comprehensive Privacy and Personal Data Protection Policy to safeguard personal information. This strong framework underscores its commitment to:

- Responsible Data Management: Ensuring that all personal data is collected, securely stored, and processed with the utmost responsibility
- Regulatory Adherence: Maintaining strict compliance with all applicable data protection and privacy regulations

Weblink: Privacy and Personal Data Protection Policy

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cybersecurity and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on the safety of products/services.

No cases reported.

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches: Nil

b. Percentage of data breaches involving personally identifiable information of customers: 0%

c. Impact, if any, of the data breaches: Nil

Leadership Indicators

1. Channels/Platforms where information on products and services of the entity can be accessed (provide weblink, if available).

Muthoot Microfin ensures customers maintain seamless access to clear and relevant information regarding its products and services through a range of convenient channels:

- In-Person Engagement: Regular centre meetings and branch visits allow customers to interact directly with representatives for personalised guidance and support
- Telephonic Assistance: A dedicated support helpline guarantees the timely and efficient resolution of customer queries
- Digital Integration: The 'Mahila Mitra' mobile application offers a user-friendly interface, empowering customers to independently access services, monitor loan details, and receive continuous updates

Weblink: https://muthootmicrofin.com/

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

To ensure clarity and informed decision-making, the Company implements a rigorous customer onboarding process:

- Structured Training: All new customers undergo a mandatory, three-day group training programme designed to build a comprehensive understanding of the Company's processes and offerings
- Comprehension Assessment: The training concludes with a formal Group Recognition Test to rigorously evaluate customer understanding
- Transparent Disbursement: Key loan terms and conditions are systematically revisited during the sanction and disbursement stages to guarantee ongoing clarity and transparency

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

The Company ensures clear, accessible, and prompt communication with its customers through a dual approach:

- In-Person Engagement: Scheduled centre meetings facilitate the direct and structured communication of key product and service information
- Digital Channels: Delivered updates seamlessly via the mobile application, SMS alerts, and automated voice calls

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes. Muthoot Microfin ensures complete transparency in communicating all loan-related information to its customers. To maintain this transparency and improve the customer experience, the Company employs the following mechanisms:

- Clear Documentation: At the time of disbursement, every customer receives a comprehensive loan card, detailing key terms and conditions along with a transparent pricing fact sheet
- Digital Accessibility: All essential loan information is readily accessible via the 'Mahila Mitra' mobile application and the Company's official website https://muthootmicrofin.com/
- Continuous Feedback Loop: The Company conducts periodic customer satisfaction surveys to gather insights and feedback regarding its products, services, and the overall customer experience

ANNEXURE - V

FORM NO. AOC -2

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

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

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

   There were no contracts or arrangements or transactions entered into by the Company during the financial year 2025-26 which were not at arm's length basis.

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

   a) With M/s. Muthoot Housing Finance Company Limited

Sl. No	Particulars	Details
1.	Name (s) of the related party & nature of the relationship	Muthoot Housing Finance Company Limited (Promoter Group)
2.	Nature of contracts/arrangements/transaction	Lead generation to MHFCL - Home loan sourcing
3.	Duration of the contracts/arrangements/transaction	Five years
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	Referral fee structure of 0.4% of the disbursed loan amount, payable upfront upon disbursement and the utilisation of the referral fee to provide sourcing incentives to staff.
5.	Date of approval by the Board	May 08, 2025
6.	Amount paid as advances, if any	NIL

   b) With Mr. Thomas John Muthoot

Sl. No	Particulars	Details
1.	Name (s) of the related party & nature of the relationship	Thomas John Muthoot
2.	Nature of contracts/ arrangements/transaction	Lease agreement for the Kayamkulam Branch
3.	Duration of the contracts/ arrangements/transaction	Five years
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	The lease arrangement with Mr. Thomas John Muthoot, promoter of the Company, in respect of the premises situated at Muthoot Shopping Centre, Municipal Junction, Kayamkulam, Alleppey District, Kerala – 690502, for the operations of Kayamkulam Branch, for monthly rent of ₹ 20,944/-, with 5% increment on three-year period. The tenure of the arrangement is for a period of five year with the terms and conditions as agreed by the Board of Directors.
5.	Date of approval by the Board	August 11, 2025
6.	Amount paid as advances, if any	NIL

   c) With M/s. Muthoot Fincorp Limited

Sl. No	Particulars	Details	
1.	Name (s) of the related party & nature of the relationship	Muthoot Fincorp Limited (Promoter & Holding Company)	
2.	Nature of contracts/ arrangements/transaction	Service Level agreement execution for continuation of service of stock keeping or custody of the gold for the loan products active on the books of the Company.	The Gold Loan Customer Sourcing arrangement with Muthoot Fincorp Ltd (MFL)

Sl. No	Particulars	Details	
3.	Duration of the contracts/ arrangements/transaction	Five years	Ongoing
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	Continuation of the services for the stock keeping or custody of the gold on the previous terms and conditions for the Loan products active on the books of the Company.	The existing referral fee structure for Gold Loan Customer Sourcing arrangement was made on the basis of the Interest rate, and the current proposed structure is made based on loan amount In respect of loan amounts up to ₹ 5,00,000 (Rupees Five Lakhs only), a referral fee not exceeding 1.25% of the loan amount shall be payable and in respect of loan amounts exceeding ₹5,00,000 (Rupees Five Lakhs only), a referral fee not exceeding 0.75% of the loan amount shall be payable.
5.	Date of approval by the Board	May 08, 2025	August 11, 2025
6.	Amount paid as advances, if any	NIL	NIL

Sl. No	Particulars	Details	
1.	Name (s) of the related party & nature of the relationship	Muthoot Fincorp Limited (Promoter & Holding Company)	
2.	Nature of contracts/arrangements/ transaction	The Gold Loan Offering under Co Lending Model between MML and MFL	Commission payment for gold loan sourcing
3.	Duration of the contracts/arrangements/ transaction	Ongoing	Five years
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	The Co-lending framework shall be extended for a tenure of twelve (12) months with a loan ticket size not exceeding ₹1,00,000 (Rupees One lakhs only). The CLM rate proposed on MMLs share is 15%. Management fee of 0.25% is payable to MFL under this arrangement.	Appointment of Muthoot Fincorp Limited as Business Correspondent for generating Loan Against Property (LAP) business.
5.	Date of approval by the Board	August 11, 2025	November 05, 2025
6.	Amount paid as advances, if any	NIL	NIL

Sl. No	Particulars	Details	
1.	Name (s) of the related party & nature of the relationship	Muthoot Fincorp Limited (Promoter & Holding Company)	
2.	Nature of contracts/arrangements/ transaction	Renewal of Lease agreements for Branch Office, Training Hall and File Store situated at Vellanad, Trivandrum	Renewal of Lease agreements for Registered Office of the Company
3.	Duration of the contracts/ arrangements/transaction	Ten years	Ten years
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	Renewal of the Lease agreement of Branch office, Training hall and File store Located at Vellanad, Trivandrum for 10 years with an interim hike of 5%.	Renewal of the Lease agreement of registered office of the Company for another term of 10 years with an annual escalation of 5% on the existing rent every year.
5.	Date of approval by the Board	February 09, 2026	February 09, 2026
6.	Amount paid as advances, if any	NIL	NIL

For and on behalf of the Board of Directors

	Sd/-	Sd/-
	Thomas Muthoot John	**Thomas Muthoot**
Kochi	Executive Director	Director
June 30, 2026	(DIN 07557585)	(DIN 00082099)

REPORT ON CORPORATE GOVERNANCE

Report on Corporate Governance of Muthoot Microfin Limited (MML/the Company) for the Financial Year ended March 31, 2026, as stipulated in the relevant provisions of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 amended from time to time ('the Listing Regulations'), is set out below:

CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance represents the foundation of effective and responsible corporate management. It encompasses the adoption of best management practices, adherence to high ethical standards, compliance with applicable laws, regulations and guidelines, and commitment to transparency, accountability and fairness in all business dealings. Sound corporate governance enables the Company to achieve its strategic objectives, enhance long-term shareholder and investor value, and fulfill its responsibilities towards all stakeholders, including employees, customers, business partners, regulators and the community at large.

The Company views Corporate Governance not merely as a set of mandatory requirements or regulatory obligations, but as an integral part of its corporate culture and business philosophy. It believes that the true essence of good governance lies in embracing its underlying principles and values in both letter and spirit. Accordingly, the Company is committed to fostering a governance framework that promotes ethical conduct, prudent decision-making, effective risk management, transparency in operations, and sustainable value creation, thereby strengthening stakeholder confidence and contributing to the Company's long-term success.

The Company's governance philosophy is founded on the principles of integrity, fairness, transparency, and accountability. It is committed to conducting business ethically, ensuring transparency in all transactions, making timely and appropriate disclosures, complying with all applicable laws and regulations, and upholding its responsibilities to stakeholders through responsible decision-making and sound corporate governance practices.

The Board of Directors ("the Board") is entrusted with the responsibility of upholding and promoting the highest standards of Corporate Governance within the Company. The Board is firmly committed to ensuring that the Company's affairs are conducted with integrity, transparency, accountability, and in compliance with applicable laws and regulatory requirements. Through effective oversight and strategic guidance, the Board plays a pivotal role in safeguarding the interests of the Company and its stakeholders. It oversees the actions and decisions of management to ensure that the Company's operations and business strategies are aligned with its long-term vision, while also addressing short-term objectives and performance expectations. In carrying out its responsibilities, the Board seeks to balance and protect the interests of shareholders, employees, customers, business partners, regulators, and the wider community, thereby fostering sustainable growth and long-term value creation.

Muthoot Microfin Limited is committed to maintaining a high standard of corporate governance in complying with Companies Act, 2013, ("the Act"), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations"), Reserve Bank of India ((Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025, Reserve Bank of India (Non-Banking Financial Companies – Microfinance Institution) Directions, 2025, Reserve Bank of India (Non-Banking Financial Companies – Governance) Directions, 2025, Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025 and other relevant Circulars/Directions/Guidelines issued by the Reserve Bank of India ("RBI Guidelines").

BOARD OF DIRECTORS

I. Composition of the Board

The composition of the Board of your Company is in conformity with Regulation 17 of the Listing Regulations. Every member of the Board is having experience and expertise in their respective fields. The Company's policy is to maintain an optimum combination of Executive and Non-Executive/Independent Directors. As on March 31, 2026, the Company has 10 (Ten) Directors including 1 (One) Executive Director, 4 (Four) Non-Executive Non-Independent Directors and 5 (Five) Independent Directors including 2 (Two) Woman Independent Directors. Out of the Directors, 2 (Two) Non-Executive Director and (1) One Executive Director are of the promoter and promoter group category. The composition of the Board represents an optimal mix of professionalism, knowledge, experience and expertise in varied fields, enabling it to discharge its responsibilities and provide effective leadership for long-term vision with the highest standards of governance. The Board reviews its strength and composition from time to time to ensure that it remains aligned with the statutory as well as business requirements.

All the Independent Directors have declared that they meet the criteria of 'Independence' as required under the provisions of Section 149 of the Companies Act, 2013 (the 'Act') read with the provisions of Regulation 16 of the Listing Regulations. As per the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended from time to time, all the Independent Directors of the Company have registered with the Indian Institute of Corporate Affairs (IICA) for inclusion of their names in the comprehensive repository maintained by the Ministry of Corporate Affairs and are exempted from online proficiency self-assessment test. All Independent Directors of the Company have been appointed as per the provisions of the Act, Listing Regulations, and the Governance Guidelines for Board Effectiveness adopted by the Company. Formal letters of appointment have been issued to the Independent Directors. The terms and conditions of their appointment are disclosed on the Company's website at https://muthootmicrofin.com/stakeholders-information/?tab=1

In compliance with Section 165 of the Companies Act, 2013, none of the Directors held directorship in more than 20 (twenty) Indian companies, with no more than 10 (ten) public limited companies. The directorship of all the Directors of the Company is in compliance with Regulation 17A of the Listing Regulations. None of the Directors held directorship in more than 7 (seven) listed companies. Further, none of the Independent Directors of the Company served as an Independent Director in more than 7 (seven) listed companies. None of the Independent Directors of the Company is serving as a whole-time director/managing director in any listed entity. Further, the Executive Director & Chief Executive Officer do not serve as an Independent Director in any listed company. None of the Directors of the Company is a member of more than ten committees or Chairman of more than five committees across all public companies in which he/she is a Director, as per Regulation 26(1) of the Listing Regulations. All the Directors have made necessary disclosures regarding their directorships as required under Section 184 of the Act and on the Committee positions held by them in other companies.

During the year under review the Board of Directors met Five (5) times on May 08, 2025, June 24, 2025, August 11, 2025, November 05, 2025, and February 09, 2026. The requisite quorum was present at all the Board and Committee meetings. Video conferencing facilities were used as and when required to facilitate Directors at other locations to participate at the meetings.

As on the date of this Report, Mr. Akshaya Prasad (DIN: 02028253), Non-Executive Director, resigned from the Board with effect from May 06, 2026. Further, the Board of Directors, at its meeting held on June 30, 2026, based on the recommendations of the Nomination and Remuneration Committee and the Audit Committee, appointed Ms. Hannah Muthoot (DIN: 10762532) as an Additional Director (Non-Executive, Non-Independent) of the Company. The proposal relating to her appointment forms part of the Notice convening the 34th Annual General Meeting of the Company, and the relevant resolution is recommended for approval of the Members.

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

Name	**Position/Category**	**No. of Board Meetings held and attended during 2025-26**		**Whether attended last AGM held on July 24, 2025**
		Held	**Attended**	
Mr. Thomas Muthoot	Chairman – Non- Executive	5	5	Yes
Mr. Thomas George Muthoot	Non-Independent Non-Executive	5	5	Yes
Mr. Thomas Muthoot John	Executive	5	5	Yes
Mr. John Tyler Day	Non-Independent Non-Executive	5	5	No
Mr. Akshaya Prasad*	Non-Independent Non-Executive	5	5	No
Mr. Thai Salas Vijayan	Independent Non-Executive	5	5	Yes
Mr. Alok Prasad	Independent Non-Executive	5	5	Yes
Ms. Bhama Krishnamurthy	Independent Non-Executive	5	5	Yes
Ms. Pushpy B Muricken	Independent Non-Executive	5	5	Yes
Mr. Anil Sreedhar	Independent Non-Executive	5	5	Yes

*Mr. Akshaya Prasad, Non-Executive Non-Independent Director ceased directorship from May 06, 2026.

Name	No. of Directorships in other Indian Public Limited Companies[1] (as on March 31, 2026)	No. of Committee positions held in other Indian Public Companies[2] (as on March 31, 2026)		Number of Equity shares/Convertible Instruments[3] held (as on March 31, 2026)
		Member	Chairman	
Mr. Thomas Muthoot	2	1	-	29,93,935
Mr. Thomas George Muthoot	2	3	-	29,81,749
Mr. Thomas Muthoot John	-	-	-	
Mr. John Tyler Day	4	1	-	
Mr. Akshaya Prasad*	-	-	-	
Mr. Thai Salas Vijayan	2	3	1	
Mr. Alok Prasad	1	2	1	
Ms. Bhama Krishnamurthy	6	7	-	
Ms. Pushpy B Muricken	2	1	1	
Mr. Anil Sreedhar	-	-	-	

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

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

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

**Mr. Akshaya Prasad, Non-Executive Non-Independent Director ceased directorship from May 06, 2026.*

The other Indian listed entities where Directors of the Company hold directorship as on March 31, 2026, are as follows:

Name of the Director	Other Indian Listed Entity Directorships*	Category of Directorship
Ms. Bhama Krishnamurthy	Thirumalai Chemicals Limited Just Dial Limited Cholamandalam Investment and Finance Company Limited Five Star Business Finance Limited#	Independent Director
Mr. Alok Prasad	Arman Financial Services Limited	Independent Director
Mr. T S Vijayan	Shriram Properties Limited	Independent Director
Mr. Pushpy B Muricken	Service Care Limited	Independent Director

**Directorship held in other Indian listed entities include only those whose equity shares are listed on stock exchanges.*

#Ceases tenure from Five Star Business Finance Limited on April 11, 2026

The Company recognises and embraces the importance of a diverse Board in enhancing the quality of its performance, governance standards, and overall decision-making process. Accordingly, the Company has in place a comprehensive Board Diversity Policy aimed at ensuring an appropriate balance of skills, experience, knowledge, background, professional expertise, and other qualities among the Directors. The policy seeks to maintain a Board composition that is capable of providing effective leadership and strategic guidance in line with the Company's business objectives and regulatory requirements.

While identifying and appointing Directors, the Board and the Nomination and Remuneration Committee consider various factors including, but not limited to, professional qualifications, industry experience, regional exposure, diversity of thought, technical expertise, integrity, independence, and knowledge of the sectors in which the Company operates. The Company believes that a diverse Board enables broader perspectives, balanced decision-making, improved governance practices, and sustainable business growth.

In order to discharge its roles and responsibilities effectively, the Board has identified certain core skills, expertise, and competencies that are considered essential for the Company's business and operations. These include expertise in areas such as banking, microfinance, finance and accounts, management, business development, marketing and strategy, audit and internal controls, legal and regulatory matters, risk management, information technology, corporate governance, and leadership.

The Board is of the opinion that its present composition adequately reflects the desired mix of knowledge, experience, and competencies. The Directors collectively possess significant expertise and experience across the aforesaid areas, which enables the Board to provide effective oversight, strategic direction, and governance to the Company. The diverse capabilities and professional backgrounds of the Directors contribute meaningfully towards strengthening the Company's operational efficiency, risk management framework, compliance culture, and long-term value creation for all stakeholders. The list of Directors as on the date of report and the core skills has been tabled below:

Name of the Director	Area of skills/expertise/competence
Mr. Thomas Muthoot	Microfinance, Finance, Management, Business Development, Marketing, Risk Management
Mr. Thomas George Muthoot	Finance, Management, Business Development, Marketing, Risk Management
Mr. Thomas Muthoot John	Finance, Management, Business Development, Marketing, Risk Management
Mr. John Tyler Day	Microfinance, Finance, Management, Business Development, Marketing
Mr. Thai Salas Vijayan	Finance, Audit, Legal, Management
Mr. Alok Prasad	Banking, Microfinance, Finance, Management, Risk Management, Regulatory & Compliance
Mrs. Bhama Krishnamurthy	Banking, Finance, Finance, Management, Business Development Management, Business Development, Risk Management, Regulatory & Compliance
Mrs. Pushpy B Muricken	Finance, Audit, Legal, Information Technology, Regulatory & Compliance
Mr. Anil Sreedhar	Information Technology, Regulatory and Compliance, Management and Business Development
Ms. Hannah Muthoot	Management and Business Development, Finance, Risk Management, Marketing, Corporate Social Responsibility, Strategic Development

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

The Company did not have any pecuniary relationship or transactions with Non-Executive Directors during the financial year ended March 31, 2026, except for payment of sitting fees and reimbursement of expenses incurred in the discharge of their duties.

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

Name of Directors	Relationship
Mr. Thomas George Muthoot Mr. Thomas Muthoot	Brothers
Mr. Thomas Muthoot John	Nephew of Mr. Thomas Muthoot and Mr. Thomas George Muthoot & Cousin of Ms. Hannah Muthoot
Ms. Hannah Muthoot	Daughter of Mr. Thomas Muthoot, Neice of Mr. Thomas George Muthoot & Cousin of Mr. Thomas Muthoot John

None of the other Directors have any inter–se relationship

Information provided to Board of Directors

The Company ensures that comprehensive and relevant information is made available to the Board and its Committees to facilitate informed decision-making and effective discharge of their responsibilities. Detailed agenda notes and supporting documents are circulated to the Directors sufficiently in advance of the scheduled meetings of the Board and Committees, except in cases where meetings are convened at shorter notice to address urgent business requirements.

The Company places significant emphasis on the quality, adequacy, and timeliness of information provided by the Management to the Board. The information furnished is comprehensive, accurate, and presented in a manner that enables meaningful review and deliberation by the Directors. The Board periodically reviews compliance reports relating to applicable laws, rules, regulations, and statutory requirements, along with various operational and financial statements submitted by the Management.

The Board functions in an environment that encourages open discussion, constructive participation, and independent expression of views by all Directors. Matters placed before the Board and its Committees are deliberated upon in detail, taking into consideration diverse perspectives and expert inputs, wherever necessary. Decisions are arrived at after due discussion and careful consideration, with a view to ensuring transparency, accountability, and alignment with the Company's strategic objectives and governance standards.

Separate Meeting of Independent Directors

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of Management were held on

March 29, 2026, as required under Schedule IV to the Act (Code for Independent Directors) and Regulation 25(3) of the Listing regulations. All independent Directors attended the meeting, and the meeting discussed the following matters;

- review the performance of non-independent directors and the board of directors as a whole;
- review the performance of the chairperson of the Company, taking into account the views of executive directors and non-executive directors.
- assess the quality, quantity and timeliness of flow of information between the management of the Company and the Board that is necessary for the Board of directors to effectively and reasonably perform their duties; and
- Other matters, if any.

Familiarisation Program for Independent Directors

The Company undertakes various initiatives to familiarise its Independent Directors with the Company, its business operations, industry landscape, and regulatory environment, thereby enabling them to effectively discharge their roles and responsibilities. The familiarisation programs are designed to provide insights into the Company's business model, strategic objectives, operational framework, governance practices, and the roles, rights, and duties of Independent Directors under the applicable laws and regulations.

Upon induction, Independent Directors are provided with an orientation program covering, inter alia, the Company's organisational structure, nature of business, industry dynamics, risk management framework, and key policies and procedures. In addition, the Directors are regularly apprised of important business developments, strategic initiatives, operational and financial performance, regulatory updates, and other significant matters during Board and Committee meetings.

The Company also conducts ongoing familiarisation and knowledge enhancement initiatives to ensure that the Independent Directors remain updated on changes in the business environment, regulatory developments, emerging risks, and governance best practices. These continuous engagement programs enable the Directors to contribute effectively to the deliberations of the Board and strengthen the overall governance framework of the Company.

The details of familiarisation programs imparted to the Independent Directors are disclosed on the Company's website: https://muthootmicrofin.com/stakeholders-information/?tab=1

Confirmation regarding the independence of Independent Directors

In the opinion of the Board, all the Independent Directors of the Company meet the criteria of independence as prescribed under the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and are independent of the Management of the Company.

The Board is satisfied that the Independent Directors possess the requisite integrity, expertise, experience, and proficiency required to effectively discharge their duties and responsibilities as Independent Directors of the Company. Further, pursuant to the provisions of Section 150 of the Companies Act, 2013 read with the applicable rules framed thereunder, the Independent Directors have confirmed that they are duly registered with the Independent Directors' Databank maintained by the Indian Institute of Corporate Affairs ("IICA").

II. Committees of Board

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

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

During the year, there were no instances where the Board of Directors of the Company did not accept the recommendations made by any of its Committees.

The Board is responsible for constituting various Committees, defining their terms of reference, and delegating powers to them from time to time. The Minutes of the Committee Meetings are periodically placed before the Board for its review and noting. Details regarding the composition of these Committees, the Meetings held during the year, and attendance thereat are provided below.

A. Audit Committee

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

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

As on March 31, 2026, the Audit Committee comprised of six (6) members out of which four (4) are Independent Directors. During the year under review the Audit Committee met Five (5) times on May 08, 2025, June 24, 2025, August 11, 2025, November 05, 2025, and February 09, 2026. The requisite quorum was present at all the meetings. The list of Audit Committee members along with the attendance during the financial year 2025-26 is mentioned below:

Name of Director	**Designation**		**No. of Committee Meetings attended during the Financial Year 2025-26**	
			Held	**Attended**
Mrs. Pushpy B Muricken	Independent	Chairperson	5	5
Mrs. Bhama Krishnamurthy	Independent	Member	5	4
Mr. Alok Prasad	Independent	Member	5	5
Mr. Thai Salas Vijayan	Independent	Member	5	5
Mr. Thomas Muthoot	Non-Executive	Member	5	5
Mr. Akshaya Prasad*	Non-Executive	Member	5	5

**Mr. Akshaya Prasad, Non-Executive Non-Independent Director ceased directorship from May 06, 2026.*

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

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

The Chairman of the Audit Committee, Ms. Pushpy B Murickan was present at the Annual General Meeting held on July 24, 2025. The Chairman of the Audit Committee briefs the Board members about the significant discussions held at the Audit Committee meetings.

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

1. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient, and credible.
2. Recommending to the Board the appointment, re-appointment and replacement, remuneration and terms of appointment of the statutory auditor of the Company and the fixation of audit fee.
3. Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of the audit process.
4. Approving payments to statutory auditors for any other services rendered by the statutory auditors.
5. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013, as amended.
    b. Changes, if any, in accounting policies and practices and reasons for the same.
    c. Major accounting entries involving estimates based on the exercise of judgment by management.
    d. Significant adjustments made in the financial statements arising out of audit findings.
    e. Compliance with listing and other legal requirements relating to financial statements.
    f. Disclosure of any related party transactions; and
    g. Modified opinion(s) in the draft audit report.
6. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval.
7. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed Offer by the Company.
8. Approval or any subsequent modifications of transactions of the Company with related parties.

9. Scrutiny of inter-corporate loans and investments.
10. Valuing of undertakings or assets of the Company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances.
13. Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems.
14. Reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
15. Discussing with internal auditors on any significant findings and follow up there on.
16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
17. Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
18. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
19. Reviewing the functioning of the whistle blower mechanism.
20. Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate,
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
22. Reviewing the utilisation of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision; and
23. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.

Powers of the Audit Committee

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

Mandatory review by Audit Committee

1. Management discussion and analysis of financial condition and results of operations;
2. Management letters/letters of internal control weaknesses issued by the statutory auditors;
3. Internal audit reports relating to internal control weaknesses;
4. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee; and
5. Statement of deviations in terms of the SEBI Listing Regulations:
    (a) quarterly statement of deviation(s) including the report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of regulation 32 (1) of the SEBI Listing Regulations; and
    (b) annual statement of funds utilised for purposes other than those stated in the offer document/ prospectus/notice in terms of regulation 32 (7) of the SEBI Listing Regulations.
6. To review the financial statements, in particular, the investments made by any unlisted subsidiary; and
7. Such information as may be prescribed under the Companies Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Vigil Mechanism/Whistle Blower Policy

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

The said Policy is available on the Company's website https://muthootmicrofin.com/policies/

B. Nomination and Remuneration Committee (NRC)

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

As on March 31, 2026, the Nomination and Remuneration Committee comprised of (6) members out of which four (4) are Independent Directors. During the year 2025-26 the Nomination and Remuneration Committee met three (3) times on May 08, 2025, November 05, 2025, and February 09, 2026. The requisite quorum was present at all the meetings. The list of Nomination and Remuneration Committee members along with the attendance during the financial year 2025-26 is mentioned below:

Name of Director	Designation		No. of Committee Meetings attended during the Financial Year 2025-26	
			Held	Attended
Mr. Thai Salas Vijayan	Independent	Chairperson	3	3
Mrs. Bhama Krishnamurthy	Independent	Member	3	2
Mr. Alok Prasad	Independent	Member	3	3
Mrs. Pushpy B Muricken	Independent	Member	3	3
Mr. Thomas Muthoot	Non-Executive	Member	3	3
Mr. John Tyler Day[#]	Non-Executive	Member	3	3

 # As on date of report, Ms. Hannah Muthoot, Non-Executive Director has been inducted on the Nomination and Remuneration Committee in place of Mr. John Tyler Day.

The Chairman of the Nomination and Remuneration Committee, Mr. Thai Salas Vijayan was present at the Annual General Meeting held on July 24, 2025.

Annual Evaluation of Board, Committees, and Individual Directors

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

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

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

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors of the Company a policy relating to the remuneration of the Directors, key managerial personnel and other employees ("Remuneration Policy"). The Nomination and Remuneration Committee, while formulating the Remuneration policy, should ensure that:
    i. the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
    ii. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
    iii. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals.
2. Formulation of criteria for evaluation of performance of independent directors and the Board;
3. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
    i. use the services of an external agencies, if required;
    ii. consider candidates from a wide range of backgrounds, having due regard to diversity; and
    iii. consider the time commitments of the candidates.

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

C. Stakeholders Relationship Committee

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

As on March 31, 2026, the Stakeholders Relationship Committee comprises of three (3) directors, out of which one (1) is under independent category. During the year 2025-26 the Stakeholders Relationship Committee met two (2) times on August 11, 2025 and March 25, 2026. The requisite quorum was present at all the meetings. The list of Stakeholders Relationship Committee members along with the attendance during the financial year 2025-26 is mentioned below:

Name of Director	Designation		No. of Committee Meetings attended during the Financial Year 2025-26	
			Held	Attended
Mr. Thomas George Muthoot	Non-Executive - Non Independent Director	Member	2	2
Mr. Alok Prasad	Non-Executive - Independent Director	Member	2	2
Mr. Thomas Muthoot	Non-Executive - Non Independent Director	Member	2	2

The Chairman of the Stakeholders' Relationship Committee, Mr. Thomas Muthoot was present at the Annual General Meeting held on June 24, 2025.

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

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

Name and Designation of the Compliance Officer:

Neethu Ajay
Chief Compliance Officer & Company Secretary
5th Floor, Muthoot Towers, M.G Road
Cochin, Kerala – 682035
Tel: +91 484 – 4277580
Email: neethu.ajay@muthootmicrofin.com

Details of investor complaints received and redressed during the Financial Year 2025-26 are as under:

Particulars	No. of Complaints
Pending at the beginning of the year	Nil
Add: Received during the year: 1. No. of Direct Complaint: 1 2. No. of Complaints received through SEBI Scores: 0 3. No. of Complaints received through Exchanges: 0	1
Less: Disposed during the year	1
Pending Complaints at the end of the year	Nil

D. Risk Management Committee

The Risk Management Committee is constituted in compliance with the provisions of the Companies Act, 2013, Regulation 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Master Direction -Reserve Bank of India (Non-Banking Financial Companies - Governance) November 28, 2025.

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

As on March 31, 2026, the Risk Management Committee comprises of Six (6) members, out of which two (2) are under independent category. During the year 2025-26 the Risk Management Committee met Four (4) times on June 06, 2025, August 28, 2025, November 28, 2025 and March 05, 2026. The requisite quorum was present at all the meetings. The list of Risk Management Committee members along with the attendance during the financial year 2025-26 is mentioned below:

Name of Members	Designation Held		No. of Committee Meetings attended during the Financial Year 2025-26	
			Held	Attended
Mr. Thomas Muthoot John	Executive Director	Member	4	4
Mr. Thomas George Muthoot	Non-Executive Director	Member	4	4
Mr. Thomas Muthoot	Non-Executive Director	Member	4	4
Mr. Alok Prasad	Independent Director	Member	4	4
Mrs. Bhama Krishnamurthy	Independent Director	Member	4	4
Mr. Sadaf Sayeed	Chief Executive Officer	Member	4	4

During the year 2025-26, Company has re-appointed Mr. Jinsu Joseph as the Chief Risk Officer, and he is a permanent invitee to the Committee Meetings.

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

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

E. Corporate Social Responsibility Committee (CSR)

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

As on March 31, 2026, the Corporate Social Responsibility Committee comprises of Four (4) Directors, out of which one (1) is under independent category. During the year 2025-26 the Corporate Social Responsibility Committee met two (2) times on May 08, 2025, and August 11, 2025. All the members were present at the meeting. The list of Corporate Social Responsibility Committee members is mentioned below:

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

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

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

F. Asset Liability Management Committee (ALCO)

The Company has constituted an Asset Liability Management Committee and is in compliance with terms of RBI Circular DNBR (PD) CC.No.053/03.10.119/2015-16 July 03, 2015 and Reserve Bank of India (Non-Banking Financial Companies – Asset Liability Management) Directions, 2025 dated November 28, 2025. The Company complies with the provisions prescribed under the Guidelines on Liquidity Risk Management Framework in the NBFC Scale Based Regulations

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

As on March 31, 2026, the ALCO comprises of Four (4) members, out of which One (1) is Chief Executive Officer of the Company. During the year 2025-26 the ALCO met Four (4) times on May 05, 2025, August 28, 2025, November 04, 2025 and February 06, 2026. The requisite quorum was present at all the meetings. The list of ALCO Committee members along with the attendance during the financial year 2025-26 is mentioned below:

Name of Members	Designation Held		No. of Committee Meetings attended during the Financial Year 2025-26	
			Held	Attended
Mr. Thomas Muthoot John	Executive Director	Member	4	4
Mr. Thomas George Muthoot	Non-Executive Director	Member	4	4
Mr. Thomas Muthoot	Non-Executive Director	Member	4	4
Mr. Sadaf Sayeed	Chief Executive Officer	Member	4	4

The terms of reference of the ALCO include the following:

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

G. Borrowing Committee

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

As on March 31, 2026, the Borrowing Committee comprises of Mr. Thomas Muthoot, Non-Executive Director, Mr. Thomas Muthoot John, Executive Director, Mr. Sadaf Sayeed, Chief Executive Officer and Mr. Praveen T, Chief Financial Officer of the Company.

During the year 2025-26 the Borrowing Committee met Twenty Six (26) times i.e, on April 22, 2025, May 29, 2025, June 26, 2025, June 30, 2025, July 08, 2025 July 25, 2025, August 11, 2025, August 18, 2025, August 28, 2025, September 03, 2025, September 10, 2025, September 17, 2025, September 27, 2025, October 29, 2025, November 19, 2025, November 26, 2025, December 15, 2025, December 24, 2025, December 31, 2025, January 05, 2026, January 30, 2026, February 10, 2026, March 02, 2026, March 11, 2026, March 25, 2026 and March 27, 2026. All the members were present at the meetings held during the year.

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

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

H. Debenture Issue and Allotment Committee

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

As on March 31, 2026, the Debenture Issue and Allotment Committee comprises of Mr. Thomas Muthoot, Non-Executive Director, Mr. Thomas Muthoot John, Executive Director and Mr. Thomas George Muthoot, Non-Executive Director of the Company.

During the year 2025-26 the Debenture Issue and Allotment Committee met Seventeen (17) times i.e, on April 16, 2025, September 03, 2025, September 12, 2025, September 17, 2025, September 23, October 09, 2025, October 29, 2025, November 04, 2025, November 11, 2025, November 27, 2025, December 03, 2025, December 16, 2025, January 06, 2026, January 20, 2026, January 23, 2026 , January 30, 2026 and February 06, 2026 All the members were present at the meetings held during the year.

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

1. Identifying the select group of persons to whom Debentures on Private Placement will be made;
2. Determining the number of tranches/series in which the Debentures on Private Placement and/ Debenture on Public Issue shall be raised;
3. Appoint debenture trustees to act for and on behalf of the holders of the Debentures on Private Placement and/Debenture on Public Issue under each tranche/series;
4. Finalising the terms and conditions upon which each tranche/series of the Debentures on Private Placement and/Debenture on Public Issue shall be issued;
5. Procure rating for the Debentures on Private Placement and/Debenture on Public Issue under each tranche/series from an accredited rating agency;
6. Determining the security to be provided in relation to each tranche/series of the Debentures on Private Placement and/Debenture on Public Issue as determined from time to time;
7. Authorising persons to execute/caused to be executed/issue the information memorandum, debenture trust deed, debenture trustee agreement and the security documents such as the deed of hypothecation, mortgage deed and the relevant power(s) of attorney to be entered into between the Company and the debenture trustee, and such other documents as may be required to be entered into in relation to each tranche/series the Debentures on Private Placement and/Debenture on Public Issue and authorising affixing of common seal; and
8. Allotment of the Debentures on Private Placement and/Debenture on Public Issue.

I. IT Strategy Committee

The Company has an IT Strategy Committee which is in compliance with Master Direction No DNBS. PPD. No. 04/66.15.001/2016-17 dated June 08, 2017 and Master Direction DoS.CO.CSITEG/SEC.7/31.01.015/2023-24 dated November 07, 2023 ((Information Technology Governance, Risk, Controls and Assurance Practices) Directions, 2023 issued by the Reserve Bank of India to carry out the review of

IT strategies in line with the corporate strategies of the Company, Board Policy reviews, cyber security arrangements and other matters related to IT Governance.

As on March 31, 2026, the IT Strategy Committee comprises of Mr. Thomas Muthoot, Non-Executive Director, Mr. Thomas George Muthoot, Non-Executive Director, Mr. Thomas Muthoot John, Executive Director, Mr. Anil Sreedhar, Independent Director and Mr. Linson C Paul, Chief Technology Officer of the Company. The IT Strategy Committee met Four (4) times i.e, on June 20, 2025, September 26, 2025, November 28, 2025 and March 27, 2026 during the year under review and the requisite quorum was present at all the meetings.

The list of IT Strategy Committee members along with the attendance during the financial year 2025-26 is mentioned below:

Name of Members	Designation Held	No. of Committee Meetings attended during the Financial Year 2025-26	
		Held	Attended
Mr. Thomas Muthoot John	Executive Director	4	4
Mr. Anil Sreedhar	Independent Director	4	4
Mr. Thomas Muthoot	Non-Executive Director	4	4
Mr. Thomas George Muthoot	Non-Executive Director	4	4
Mr. Linson C Paul	Chief Technology Officer	4	4

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

1. Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;
2. Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;
3. Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
4. Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;
5. Ensuring proper balance of IT investments for sustaining NBFC's growth and becoming aware about exposure towards IT risks and controls

III. Remuneration of Directors

In accordance with the approval of the shareholder, Company has paid remuneration to Mr. Thomas Muthoot John, Executive Director of the Company. No other directors were paid any remuneration during the period except sitting fees paid to the Independent Directors for attending the Board and Committee meetings. Details of the same forms part of the Related Party Transaction Note 40 of the Financial Statement.

(Amount in million)

Name	Salary & Perquisites	Sitting Fee	Total
Mr. Thomas Muthoot John	9.15	-	9.15
Mr. Alok Prasad	-	0.99	0.99
Ms. Bhama Krishnamurthy	-	0.86	0.86
Mr. T S Vijayan	-	0.79	0.79
Ms. Pushpy B Muricken	-	0.79	0.79
Mr. Anil Sreedhar	-	0.65	0.65

IV. General Body Meetings

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

Annual General Meeting	Date	Time	Venue
33rd AGM	July 24, 2025	3.30 PM	Video Conferencing
32nd AGM	July 18, 2024	3.00 PM	Video Conferencing
31st AGM	June 14, 2023	5.50 PM	Video Conferencing

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

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

Annual General Meeting held on	Special Resolution Passed	Summary
July 24, 2025	Yes	1. To consider the proposal for Issuance through Private Placement of Debenture and/or through Public Issue
July 18, 2024	Yes	1. Enhancement of borrowing limits from ₹ 10,000 crores to ₹ 15,000 crores in accordance with 180(1)(C) 2. Creation of Charge on the assets/receivables of the Company in accordance with180(1)(a) 3. Ratification of Muthoot Microfin Employee Stock Option Plan 2016 ("ESOP 2016") of the Company 4. Ratification of Muthoot Microfin Limited Employee Stock Option Plan 2022 ("ESOP2022") of the Company 5. Alteration of object clause of the Memorandum of Association of the Company 6. Adoption of Memorandum of Association as per the provisions of the Companies Act, 2013
June 14, 2023	Yes	1. Re-appointment of Mrs. Pushpy B Muricken (DIN: 03431198), as an Independent Director of the Company for the second term of 5 years. 2. Re-appointment of Mr. T S Vijayan (DIN: 00043959) as an Independent Director of the Company for the second term of 5 years. 3. Re-appointment of Mrs. Bhama Krishnamurthy (DIN: 02196839) as an Independent Director of the Company for the second term of 5 years. 4. Approval of Initial Public Offer of Equity Shares of the Company. 5. Increase in the authorised share capital of the company and amendment of the capital clause of the Memorandum of Association.

Extraordinary General Meeting:

No Extraordinary General Meeting of the Members was held during the Financial Year 2025-26.

Postal Ballot:

During the year 2025- 26 under review, the Company has issued a Postal Ballot Notice dated February 12, 2026, with respect to consider the proposal for Issuance through Private Placement of Debenture for additional amount of ₹ 2000 crores (Rupees Two Thousand crores Only) in one or more tranches or series.

The resolution moved were passed with the requisite majority by the shareholders. Other than the above mentioned, Company has not moved any resolution through Postal Ballot.

V. Means of Communications

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

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

Corporate Filings with Stock Exchanges

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

Investor Service

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

VI. General shareholder Information

Annual General Meeting Day, Date and Time	Tuesday, August 11, 2026 at 3.00 PM
Annual General Meeting – Venue	In accordance with General Circulars issued by the Ministry of Corporate Affairs, Circular No. 20/2020 dated May 05, 2020, General Circular No. 02/2022 dated May 05, 2022 and General Circular No. 70/2022 dated December 28, 2022, General Circular No. 09/2023 dated September 25, 2023, General Circular No. 09/2024 dated September 19, 2025 and General Circular Number 03/2025 dated September 22, 2025, AGM of the Company will be held through Video Conferencing/Other Audio Visual Means.
Financial Year	April 01, 2025, to March 31, 2026
Dividend Payment Date	No Dividend declared
Listing on Stock Exchanges	As on March 31, 2025, the Company has listed its Equity shares on BSE Ltd. and National Stock Exchange of India Limited. Also, the Company's Privately Placed Non-Convertible Debentures are listed on the BSE Limited ("BSE") and Gift City (India INX and NSE IFSC).
Address of Stock Exchanges	**BSE Ltd.** Phiroze Jeejeebhoy Towers, Dalal street, Mumbai – 400001 **National Stock Exchange of India Ltd.** Exchange plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla complex, Bandra – East, Mumbai – 400051 **INDIA International Exchange (IFSC) Ltd. (India INX)** 1st Floor, Unit No. 101, The Signature, Building no. 13B, Road 1C, Zone 1, GIFT SEZ, GIFT City, Gandhinagar, Gujarat – 382050 **NSE IFSC Limited (NSE IX)** 1201, Brigade International Financial Centre 12th floor, Block-14, Road 1C, Zone -1, GIFT SEZ, Gandhinagar, Gujarat – 382355
Stock Code	BSE – 544055 NSE – MUTHOOTMF INDIA INX – 1100156 NSE IX – MUTHOOTMF
ISIN	INE046W01019

Listing Fees

The Company has paid annual listing fees to BSE Ltd. and to National Stock Exchange of India Limited (NSE) for Financial Year 2025-26 and 2026-27.

Registration details

The Company is registered in the State of Maharashtra.

CIN of the Company is **L65190MH1992PLC066228.**

The Company being a Nonbanking financial Company- Micro Finance Institution (NBFC – MFI), is registered with the Reserve Bank of India (Certificate of Registration Number: 13.00365).

ISIN and Value of Privately Placed Non Convertible Debentures

BSE – NCDs	Value (₹ million)
INE046W07248	299.70
INE046W07255	61.40
INE046W07263	184.95
INE046W07271	664.00
INE046W07289	1,000.00
INE046W07297	500.00
INE046W07305	656.25
INE046W07313	750.00
INE046W07321	750.00
INE046W07339	750.00
INE046W07347	750.00
INE046W07354	750.00
INE046W07339	750.00
INE046W07362	500.00
INE046W07347	500.00
INE046W07354	500.00
INE046W07370	400.00
TOTAL	**9,766.30**

Bonds

Ind INX-USD Denominated Bond	Amount Outstanding (In million)
INIFD1805016	12
INIFD1805024	3
INIFD1805032	15
TOTAL	**30**

Commercial Paper

ISIN Number	Amount Outstanding (In million)
INE046W14111	317.66
INE046W14129	247.54
INE046W14137	245.11
TOTAL	**810.31**

Debenture Trustee Details

Catalyst Trusteeship Limited
901, 9th Floor, Tower-B,
Peninsula Business Park,
Senapati Bapat Marg,
Lower Parel (W) – 400013
Tel +91(022)4922 0555

Vardhman Trusteeship Pvt Ltd.
The Capital, A Wing, 412A,
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051.
Tel: 022-42648335

Mitcon Credentia Trusteeship Services Limited
Registered Office: Kubera Chambers, 1st Floor, Shivajinagar, Pune, Maharashtra 411005, India.
Corporate office: 1402/1403, 14th Floor, Dalamal Tower, B-Wing, Free Press Journal Marg, 211, Nariman Point, Mumbai – 400021, Maharashtra, India
Tel: 91-22-22828200/240

Registrar and Share transfer Agent

KFin Technologies Limited
(Formerly known as KFin Technologies Private Limited)
CIN: U72400TG2017PLC117649
SEBI Registration Number: INR000000221
Office Address: Selenium Building, Tower-B, Plot No-31 & 32,
Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana, India – 500 032
Tel: +91 4067162222 Toll-free: 1800 309 4001
E-mail: einward.ris@kfintech.com
Website: www.kfintech.com

Share Transfer system & Dematerialisation of shares and liquidity (as on March 31, 2024)

SEBI vide Notification dated June 08, 2018 had restricted effecting transfer of shares in physical form with effect from April 01, 2019. As on March 31, 2026, 100% shareholding was in Dematerialised mode.

Plant Location

Being a NBFC-MFI (Financial Service Company), the Company has no plant locations.

Distribution Schedule of shareholding as on March 31, 2026

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1-5,000	1,34,638	94.894349	95,88,380	9,58,83,800	5.623941
5,001- 10,000	4,491	3.165306	33,38,287	3,33,82,870	1.958029
10,001- 20,000	1,376	0.969820	20,10,051	2,01,00,510	1.178970
20,001- 30,000	471	0.331966	11,75,540	1,17,55,400	0.689498
30,001- 40,000	211	0.148715	7,56,058	75,60,580	0.443456
40,001- 50,000	150	0.105722	6,88,877	68,88,770	0.404052
50,001- 1,00,000	290	0.204395	20,95,784	2,09,57,840	1.229255
1,00,001& Above	255	0.179727	15,08,39,199	1,50,83,91,990	88.472798
Total	**1,41,882**	**100.00**	**17,04,92,176**	**1,70,49,21,760**	**100.00**

Category of Shareholders as on March 31, 2026

Category	No. of Holders	Total Shares	% To Equity
PROMOTERS	7	94565832	55.47
FOREIGN INSTITUTIONAL INVESTORS	2	38809387	22.76
RESIDENT INDIVIDUALS	136401	23272366	13.65
FOREIGN PORTFOLIO - CORP	8	86079	0.05
QUALIFIED INSTITUTIONAL BUYER	10	5564019	3.26
BODIES CORPORATES	274	2258080	1.32
H U F	4105	987518	0.58
KEY MANAGEMENT PERSONNEL	4	695729	0.41
NON RESIDENT INDIANS	549	667465	0.39
NON RESIDENT INDIAN NON REPATRIABLE	515	440574	0.26
MUTUAL FUNDS	3	169116	0.04
NBFC	2	11394	0.01
ALTERNATIVE INVESTMENT FUND	1	239118	0.14
TRUSTS	1	2725499	1.60
Total	**141882**	**170492176**	**100.00**

Outstanding global depository receipts or warrant convertible instruments

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

Commodity price risk or foreign exchange risk and hedging activities

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

Foreign exchange risk and hedging activities

The Company has raised funds by the way of External Commercial Borrowings which are foreign currency loans. The repayment liability is also in foreign currency. The amount of ECB availed as on March 31, 2025 are as follows:

Amount	Cost of fund (Including hedging cost)	Date of repayment	Remarks
USD $ 15 million	12.48%	Partial Repayment on October 07, 2024, October 07, 2025, and October 07, 2026	Partially repaid on October 07, 2024, & October 07, 2025 and the outstanding balance as on March 31, 2026 is USD 5 million
USD $ 10 million	12.48%	Partial Repayments on November 22, 2024, November 24, 2025 and November 23, 2026	Partially repaid on November 22, 2024, & November 24, 2025, and the outstanding balance as on March 31, 2026 is USD 3.33 million
USD $ 10 million	12.25%	October 19, 2028	Put option exercisable on April 20, 2026
USD $ 25 million	9.90%	June 21, 2027	
USD $ 40 million	9.995%	June 21, 2027	
USD $ 10 million	9.995%	June 21, 2027	
USD $ 38 million	9.92%	June 21, 2027	
USD $ 12 million	10.6%	August 27, 2029	
USD $ 3 million	10.815%	October 26, 2029	
USD $ 15 million	9.185%	October 09, 2028	

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

Bank	Amount of forex liability covered
Federal Bank Ltd	USD $ 8.33 million
Standard Chartered Bank	USD $ 123 million
The Hongkong and Shanghai Banking Corporation Limited	USD $ 15 million
Axis Bank Limited	USD $ 15 million

Address for Correspondence

Muthoot Microfin Limited

CIN: L65190MH1992PLC066228

Administrative Office: 5th Floor, Muthoot Towers, M.G Road, Kochi - 682035

Registered Office: 13th Floor, Parinee Crescenzo, Bandra Kurla Complex, Bandra East, Mumbai – 400051

Credit Rating

CRISIL Ratings have upgraded the credit ratings assigned to the Company's long term credit facilities, NCDs to 'Crisil AA-/ Stable' from 'Crisil A+/Positive' and has re-affirmed its 'Crisil A1+' ratings on the Commercial Papers dated June 09, 2026. Details of rating as on March 31, 2026 is mentioned below;

Sr. No.	Name of the Instrument	Name of Credit Rating Agency	Amount Rated (Face Value) (₹ million)	Rating as on March 31, 2026	Previous Rating
1	Bank Lines	CRISIL	100000	A+/Positive	A+/Stable
2	Non convertible debentures	CRISIL	1500	A+/Positive	A+/Stable
3	Non convertible debentures	CRISIL	750	A+/Positive	A+/Stable
4	Non convertible debentures	CRISIL	750	A+/Positive	A+/Stable
5	Non convertible debentures	CRISIL	664	A+/Positive	A+/Stable
6	Non convertible debentures	CRISIL	1000	A+/Positive	A+/Stable
7	Non convertible debentures	CRISIL	500	A+/Positive	A+/Stable
8	Non convertible debentures	CRISIL	750	A+/Positive	A+/Stable
9	Non convertible debentures	CRISIL	750	A+/Positive	A+/Stable
10	Non convertible debentures	CRISIL	750	A+/Positive	A+/Stable
11	Non convertible debentures	CRISIL	750	A+/Positive	A+/Stable
12	Non convertible debentures	CRISIL	750	A+/Positive	A+/Stable
13	Non convertible debentures	CRISIL	750	A+/Positive	A+/Stable
14	Non convertible debentures	CRISIL	500	A+/Positive	A+/Stable
15	Non convertible debentures	CRISIL	500	A+/Positive	A+/Stable
16	Non convertible debentures	CRISIL	500	A+/Positive	A+/Stable
17	Non convertible debentures	CRISIL	400	A+/Positive	A+/Stable
18	Commercial paper	CRISIL	2000	A 1+	A 1+
19	USD Denominated Dollar Bonds	CareEdge	USD 50	BB-/Stable	NA

VII. Other Disclosures

a) Transactions with related parties are disclosed in the Notes to the Standalone Balance Sheet and Statement of Profit and Loss Account in the Annual Report.

b) The Company has not entered into any materially significant related party transactions during the reporting period. The Company has formulated a policy on Related Party Transactions which is disclosed on the Company's website: https://muthootmicrofin.com/disclosures/

c) The Company has complied with the requirements of the Stock Exchanges/Securities and Exchange Board of India (SEBI) and statutory authorities on all matters related to the capital markets during the last three years except for instances disclosed in clause XIII of this report:

d) The Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance.

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

- The financial statements of the Company are with unmodified audit opinion.
- The Internal Auditor reports are presented to the Audit Committee.

e) The Company manages foreign exchange risk and hedges to the extent considered necessary as and when required. The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated 15th November 2018 is not required to be given.

f) During the financial year, there were no instances where the recommendation of any Committee of the Board is not accepted by the Board of Directors.

g) An amount of ₹10.73 million (including out-of-pocket expenses and excluding GST) was paid by the Company, on a consolidated basis, to the Statutory Auditors and all the entities in the network firm/network entity of which the Statutory Auditor is a part, during the Financial Year 2025-26.

h) Disclosures as required under Schedule V(C) (10) (l) of the Listing Regulations in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is disclosed in the Board's Report.

i) The Company and its subsidiaries have not made any Loans and Advances in the nature of loans to firms/companies during the year in which Directors are interested.

j) The company does not have any subsidiaries.

k) The Company has not raised funds through preferential allotment or qualified institutions placement and hence there is no disclosure on the utilisation of funds raised in accordance with Regulation 32 of the SEBI(LODR) Regulations, 2015.

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

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

X. CEO and CFO Certification

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

XI. Equity Shares in The Demat Suspense Account

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

XII. Key Managerial Personnel and Senior Management Personnel

As on March 31, 2026, the following persons forms part of the Key Managerial personnel and Senior Management;

Sl No.	Name	Designation
	Key Managerial Personnel	
1.	Mr. Thomas Muthoot John	Executive Director
2.	Mr. Sadaf Sayeed	Chief Executive Officer
3.	Mr. Praveen T	Chief Financial Officer
4.	Mr. Neethu Ajay	Chief Compliance Officer & Company Secretary
	Senior Management Personnel	
1.	Mr. Udeesh Ullas	Chief Operating Officer
2.	Mr. Subhransu Pattnayak	Chief Human Resource Officer
3.	Mr. Jinsu Joseph	Chief Risk Officer
4.	Mr. Dileep Kumar Pathak	Chief Internal Auditor
5.	Mr. Linson C Paul	Chief Technology Officer
6.	Mr. Deepu S	Chief Information Security Officer

XIII. Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or board or any statutory authority, on any matter related to capital markets, during the last three year.

2025-26

Nil

2024-25

Company has received notice from BSE Ltd. with respect to Non-submission of Intimation of Board Meeting in accordance with Regulation 50(1)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Company has requested for the waiver of fine on account of interpretation of Law. Request for waiver is under process and the Company is awaiting positive response. Also, Company received notice from the both the stock exchanges with respect to Delay in furnishing prior intimation about the meeting of the board of directors (Regulation 29 (2)/29 (3) of SEBI (LODR) Regulations, 2015). Company has requested the waiver of fine mentioning that no action triggering the requirement of notice has occurred during the current financial year. Request for waiver is under process and the Company is awaiting positive response.

During the last three year, there have been no instances of non-compliance by the Company on any matters relating to the Companies Act, RBI Regulations, SEBI Regulations, Labour Laws, Income Tax and GST Laws and other applicable Acts, Rules, and Regulations except for the details mentioned below:

2023-24

As per Regulation 60(2) SEBI (LODR) Regulation, 2015, the listed entity shall give notice in advance of at least seven working days to the recognised stock exchange(s) of the record date. The Company has delayed in submission of the notice of Record Date for one instance and a fine of 10,000/- was imposed by the BSE Limited. The Company has paid the required fine amount.

XIV. Breach of Covenants

There was no breach of covenants of loans availed or debt securities issued by the Company as on March 31, 2026.

XV. Declaration of Code of Conduct

In compliance with the provisions of Schedule V(D) of the Listing Regulations, it is hereby affirmed that all the Board members and Senior Management personnel have complied with the Code of Conduct of the Company.

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

Muthoot Microfin Limited

Corporate Identity Number: L65190MH1992PLC066228

13th Floor, Parinee Crescenzo, Bandra Kurla Complex,

Bandra East, Mumbai, Maharashtra, India, 400051

We have examined the compliance with conditions of Corporate Governance by Muthoot Microfin Limited ('the Company'), for the financial year ended on March 31, 2026, as per Regulations 17 to 27, clauses (b) to (i) and (t) of Regulation 46(2) and paragraphs C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance with conditions of Corporate Governance is the responsibility of the management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clauses (b) to (i) and (t) of Regulation 46(2) and paragraphs C and D of Schedule V of the Listing Regulations during the financial year ended March 31, 2026.

We further state that this Certificate is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

This certificate is issued solely for the purposes of complying with the aforesaid Regulations and shall not be suitable for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for events and circumstances occurring after the date of this Certificate.

Place:- Palakkad
Date:-June 30, 2026

For **Lakshmi Pradeep**
Company Secretary in Practice
Membership No. FCS 10160
CP No. 13155
UDIN: F010160H000718771
ICSI Peer Review Certificate No: 3303/2023

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and RBI Circular DOR.ACC.REC. No. 20/21.04.018/2022-23 dated April 19, 2022 read with Schedule V Para C of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s **Muthoot Microfin Limited** (CIN: L65190MH1992PLC066228) having registered office at 13th Floor, Parinee Crescenzo, Bandra Kurla Complex, Bandra East, Mumbai-400051 (hereinafter referred to as the "Company"), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) and RBI Circular DOR.ACC.REC.No.20/21.04.018/2022-23 dated April 19, 2022 read with Schedule V Para C Clause 10 Sub Clause (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below, for the Financial Year ending on March 31, 2026 have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

SL. No	Name of Director	DIN	Date of First Appointment
1	Thomas George Muthoot	00011552	May 08, 2017
2	Thomas Muthoot	00082099	May 08, 2017
3	John Tyler Day	07298703	December 20, 2022
4	Akshaya Prasad	02028253	December 06, 2021
5	Pushpy B Muricken	03431198	March 31, 2018
6	Thai Salas Vijayan	00043959	May 15, 2018
7	Bhama Krishnamurthy	02196839	May 15, 2018
8	Alok Prasad	00080225	May 10, 2017
9	Thomas Muthoot John	07557585	December 19, 2024
10	Anil Sreedhar	07536707	December 30, 2024

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on this based on our verification. This certificate is neither an assurance as to the future viability of the Company, nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place:- Palakkad
Date:-June 30, 2026

For **Lakshmi Pradeep**
Company Secretary in Practice
Membership No. FCS 10160
CP No. 13155
UDIN: F010160H000718736
ICSI Peer Review Certificate No: 3303/2023

MANAGEMENT DISCUSSION AND ANALYSIS

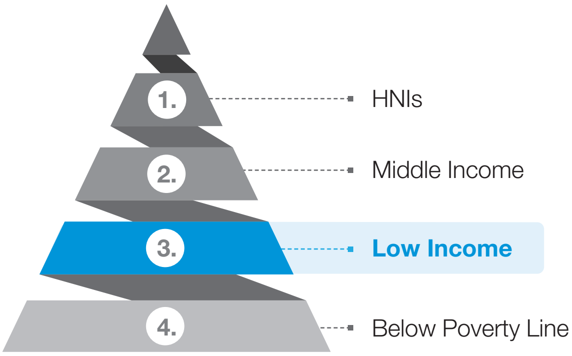
MUTHOOT PAPPACHAN GROUP

The Muthoot Pappachan Group ('MPG', or 'the Group'), widely known as 'Muthoot Blue', was founded in 1887 by Ninan Mathai. Since its inception, the Group has built a legacy of trust, customer satisfaction, and steady growth.

Over the years, MPG has evolved into a diversified conglomerate with a presence across financial services, automotive, hospitality, real estate, information technology infrastructure, precious metals, and alternate energy sectors. With a strong foundation in its core values, the Group continues to deliver innovative solutions, explore new use cases, and enhance customer experience across businesses.

Target Customer Segments

MPG's strategic focus remains on the underserved, lower-income segments, ensuring access to relevant and affordable financial solutions.



Low Income : Target Customer Segment of Group

Position of Muthoot Microfin Limited within MPG

Muthoot Microfin Limited ('MML', or 'the Company') stands as the second-largest entity within the MPG ecosystem. It benefits from the Group's strong brand recall, marketing strength, and operational support, which enhance its market presence. Moreover, MML plays a critical role in empowering women entrepreneurs, particularly those from economically weaker backgrounds, by providing access to entry-level financial solutions.

Leveraging Group Synergies

Integrated Access to Financial Services

Through MPG's platform, MML gains access to the Group's comprehensive range of loan offerings, enabling cross-selling of financial products and better alignment with customer needs.

Operational Capabilities and Efficiency

Building on the Group's expertise in branch network expansion, cash management systems, and gold loan operations under Muthoot Fincorp Limited (MFL), the Company continues to improve its operational effectiveness.

Strong Rural Presence

MPG's deep penetration in rural markets enables MML to serve women customers with tailored, need-based financial solutions.

Brand Strength and Customer Trust

The Group's credibility strengthens MML's ability to build trust, expand its customer base, and grow its geographic footprint.

> ***Backed by the strength of the Group's network, MML is well-positioned to scale sustainably while deepening its impact on financial inclusion. The Group's integrated capabilities continue to reinforce MML's role as a key growth engine within MPG.***

Company Overview

Muthoot Microfin Limited, the microfinance arm of the Muthoot Pappachan Group, has established itself as the second-largest NBFC-MFI in India, with a strong focus on empowering women and driving inclusive growth. Leveraging the Group's legacy and brand strength, MML has significantly enhanced its market presence, operational capabilities, and brand recall. This integrated approach enables the Company to scale rapidly and sustainably.

MML operates on a Joint Liability Group (JLG) model, serving women from low-income households across rural and semi-urban India. Through income-generating loans, the Company enables access to formal credit, supporting women engaged in micro and small enterprises in strengthening their livelihoods and fostering financial independence. In line with evolving customer needs, it has also advanced its diversification strategy by expanding into Individual Loans, Micro Loan Against Property (LAP), and Gold Loans. This expansion supports building a more balanced and resilient portfolio while deepening customer relationships.

Technology remains a key enabler of MML's growth. The Company has invested in in-house digital platforms and developed a proprietary credit scorecard based on internal data and behavioural insights, complemented by bureau data from Equifax. This system is supported by a multi-layered underwriting and risk-monitoring framework that strengthens credit assessment, enhances risk management, and enables scalable, responsible growth.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

KEY HIGHLIGHTS IN 2025-26

₹ 1,40,056 million
Asset Under Management (AUM)

₹ 94,184 million
Disbursement

1,670
Branches

15,735
Employees

94.79%
Client Retention

93.97%
Overall Collection Efficiency

3.89%
Gross Non-Performing Assets

1.14%
Net Non-Performing Assets

71.53%
PCR

₹ 23,807 million
Income

6,556 Mn
PPOP

1,703 Mn
PAT

KEY STRATEGIC PRIORITIES

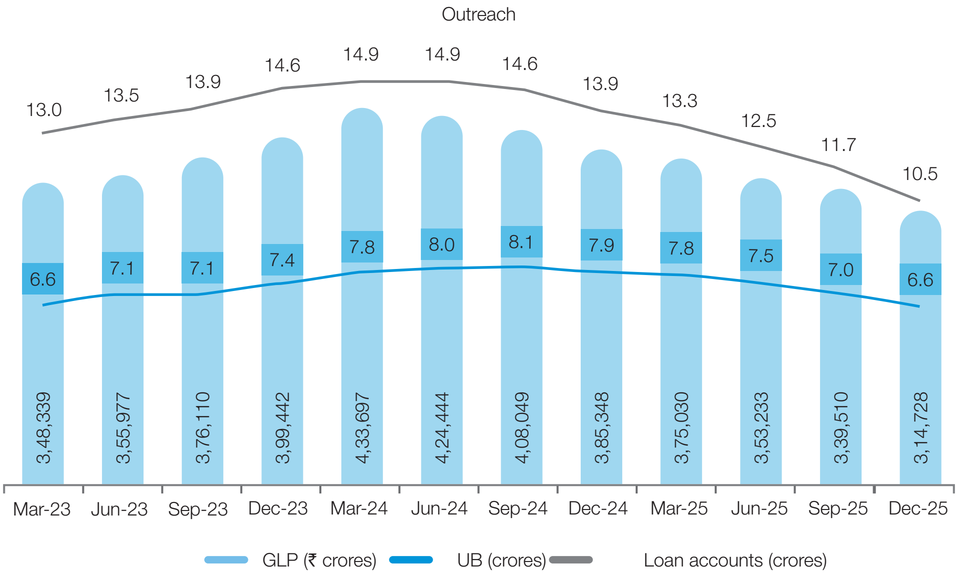
IMPACT OF NON-BANKING FINANCIAL COMPANIES AND MICROFINANCE INSTITUTIONS (NBFC-MFI) SECTOR'S PERFORMANCE ON MML

India's microfinance sector plays a vital role in advancing financial inclusion by providing underserved households with access to formal credit and supporting women-led entrepreneurship in rural and semi-urban regions. Beyond credit delivery, the sector strengthens livelihoods, promotes micro-enterprises, and builds financial resilience among low-income communities, thereby contributing meaningfully to inclusive socio-economic development.

2025-26 marked a transition phase for the NBFC-MFI industry, as the sector recalibrated after a period of rapid credit expansion in earlier years. During the year, the focus shifted towards portfolio consolidation, tighter underwriting standards, and more responsible lending practices, reflecting the industry's effort to strengthen asset quality and ensure sustainable long-term growth. This recalibration was shaped by evolving state-level regulatory developments, the introduction of guardrails around lending practices, and a heightened emphasis on borrower protection and responsible lending. Collectively, these measures have helped build a more disciplined, resilient, and transparent microfinance ecosystem.

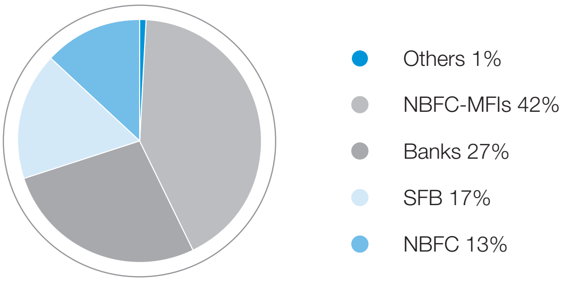
As of December 31, 2025, the microfinance industry's total loan portfolio stood at approximately ₹ 3,14,728 crores, including a DPD 180+ portfolio of ₹ 53,551 crores.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)



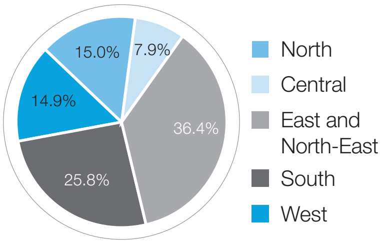
NBFC-MFIs remained the largest providers of micro-credit, with an outstanding portfolio of ₹ 1,32,418 crores, accounting for 42.1% of the industry total. Banks held a 26.7% share, followed by Small Finance Banks at 17.5%, NBFCs at 12.5%, and other MFIs at 1.2%.

Micro-credit loan outstanding across lenders December 31, 2025

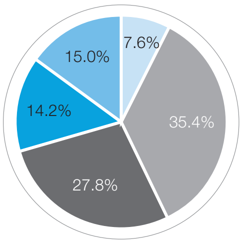


The industry's reach remains deep and widespread, serving around 10.5 crore loan accounts as of December 2025. Regionally, the East and North-East dominate, accounting for 36% of the portfolio, followed by the South at 26%. The West and North each account for 15%, while the Central region stands at 8%, indicating comparatively lower penetration and potential for future growth.

Regional distribution of portfolio December 31, 2025



Regional distribution of unique borrowers December 31, 2025



Among states, the top 10 states account for 83% of the Gross Loan Portfolio, with Bihar, Tamil Nadu, and Uttar Pradesh emerging as the largest contributors in terms of outstanding portfolio.

During the year, the regulatory and policy environment supported the microfinance sector, with two key developments standing out. The reduction in the qualifying asset criteria for NBFC-MFIs from 75% to 60% by the Reserve Bank of India introduced greater flexibility in portfolio composition. This enables institutions to diversify their asset base beyond traditional microfinance lending while maintaining their core focus on financial inclusion. The change is expected to support a more balanced growth, improve risk distribution, and enhance operational resilience across the sector.

In parallel, the Union Budget 2026–27 reinforced the government's continued emphasis on credit-linked livelihoods and allied agricultural activities. This focus is expected to promote income diversification in rural areas, strengthen borrower cash flows, and improve repayment capacity over time. Together, these measures have strengthened the sector's ecosystem, enabling responsible expansion and supporting sustainable and inclusive growth.

Key Challenges Faced by the Sector in 2025–26

Despite the stabilisation trends, the industry faced a set of structural challenges during the year:

- The industry continued to deal with residual stress from the 2024–25 credit cycle, particularly due to overleveraging in select borrower segments, which led to a more cautious and selective lending approach during the year

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

- Regional regulatory developments in states such as Karnataka, Tamil Nadu, and Bihar resulted in heightened scrutiny and more conservative lending practices, thereby moderating disbursement activity in certain pockets
- Adverse weather conditions, including torrential rainfall and heatwaves in select regions, impacted borrower income stability and disrupted repayment patterns in affected geographies
- Certain geographies experienced temporary stress in asset quality, necessitating stronger field-level monitoring, closer borrower engagement, and intensified collection efforts to stabilise portfolios
- The implementation of tighter underwriting norms and stricter affordability assessments led to a slowdown in credit offtake, particularly in regions with higher borrower leverage concerns
- The sector also witnessed higher operating costs, driven by increased investments in on-ground monitoring, recovery infrastructure, and compliance-related requirements

Performance of MML

The year for MML marked a phase of stabilisation, disciplined execution, and strengthening of internal processes and systems. In line with the evolving sector environment, the Company prioritised portfolio quality, strong risk governance, and sustainable growth over volume-led expansion. Reflecting this calibrated approach, Assets Under Management grew by 13.34%, as the Company focused on reinforcing its core credit and collection frameworks.

MML placed strong emphasis on underwriting discipline and recovery effectiveness, with dedicated collections teams focusing on stressed and high DPD accounts. This proactive approach helped maintain portfolio stability even in a cautious credit environment and contributed to a 1828 bps reduction in credit cost, reaching 2.8%.

To further strengthen the risk management framework, the Company enhanced its data-led underwriting capabilities through a proprietary in-house credit scorecard. Built on internal behavioural insights and repayment patterns, and supplemented by bureau data, this scorecard enables finer risk segmentation, sharper credit decisions, and better alignment with portfolio strategy.

Technology and digitalisation continued to play a central role in transforming MML's operations and customer engagement. The Muthoot Mahila Mitra App witnessed strong traction, with over 2.02 million cumulative downloads, reflecting increasing digital adoption among its customer base. The Company further strengthened its position in digital collections, with approximately 33.9% of Q42025-26 collections routed through bank accounts and digital channels, improving efficiency and reducing operational friction.

In addition, MML deployed GenAI-based solutions to further enhance its underwriting processes. Customer interactions during field visits are now recorded in vernacular languages and automatically converted into English text, generating standardised, structured credit appraisal memos. This has improved both consistency and turnaround time in credit evaluation.

Collectively, these initiatives have strengthened operational efficiency, risk management capabilities, and the customer experience, positioning the Company well for sustainable growth.

Other initiatives include:

- Deployment of AI-led Early Warning Systems (EWS) for proactive risk identification
- Integration of AI in underwriting workflows for consistency and structured evaluation
- Usage of geo-tagging, Aadhaar-based eKYC, and real-time bureau checks for stronger verification
- Implementation of an end-to-end digital loan management system, improving efficiency and turnaround times
- Introduction of Suvidha, an app-based digital loan product, to promote digital literacy, convenience, and greater financial control for women customers

These interventions collectively strengthened risk visibility, operational speed, and governance quality.

Portfolio Diversification and Business Mix Evolution

In line with evolving customer needs and broader sector trends, MML continued to strengthen its portfolio diversification strategy during 2025–26. While the Joint Liability Group (JLG) model remains the cornerstone of the Company's business, it has also progressively expanded its presence in Individual Loans, Micro Loan Against Property (LAP), and Gold Loans.

This strategic shift reflects the Company's intent to build a more balanced and risk-diversified lending portfolio, while also enhancing the ability to serve customers across different stages of their credit lifecycle. The approach aligns with the industry's gradual movement towards combining group-based lending with individual and secured lending products, thereby improving overall portfolio resilience.

During the year, the Company saw a growing contribution from high-quality individual-borrower segments, particularly customers with strong credit profiles. This shift has deepened customer relationships, improved portfolio stability, asset quality, and fostered a more sustainable growth trajectory.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Financial Performance

Particulars	As of/for the year ended March 31, 2026	As of/for the year ended March 31, 2025
Gross Loan Portfolio (₹ million)	1,40,056.22	1,23,567.18
Period on period growth in gross loan portfolio (%)	13.34%	1.34%
Disbursements (₹ million)	94,184	88,725
Period on period growth in disbursements (%)	6.15%	(16.78%)
Number of loans disbursed (million)	1.17	1.81
Customers to whom loans were disbursed during the period (million)	1.10	1.38
New customers (million)	0.36	0.56
Active customers (million)	3.27	3.43
Customers with Mahila Mitra app downloads (million)	2.02	1.79
Customers who transacted digitally with us (million)	1.80	2.24
Overall digital collection (₹ million)	22,659.63	22,965.97
Revenue from operations (₹ million)	23,695.68	25,616.93
Net Interest Income (NII) (₹ million)	14,154.91	15,511.51
Net Interest Margin (NIM)	11.88%	12.36%
Ratio of operating expenses to monthly average gross loan portfolio	6.70%	6.21%
Ratio of provisions and write offs to monthly average gross loan portfolio	3.51%	9.36%
Pre-provision operating profit before tax (₹ million)	6,555.79	8,676.37
Profit After Tax (PAT) (₹ million)	1,702.67	(2,225.23)
Total comprehensive income for the year (₹ million)	2,136.07	(1,805.85)
Debt to Equity (DE) (times)	3.34	3.01
Return on Assets (RoA)	1.34%	(1.80%)
Return on Equity (RoE)	6.21%	(8.19%)
Net Worth	28,543.12	26,322.27
Cost to Income Ratio (CIR) (%)	56.48%	46.92%
Average annual cost of borrowings (%)	10.27%	11.02%
Impairment allowance coverage ratio (%)	71.53%	73.32%
Capital to Risk Assets Ratio (CRAR) (%)	23.92%	27.85%
Insurance premium collected (₹ million)	5,356.23	4,331.05
Life insurance (₹ million)	4,076.29	2,835.56
Medical insurance (₹ million)	847.29	1,036.25
Natural calamity insurance (₹ million)	432.64	459.25

KEY COMPONENTS OF MML'S PROFIT AND LOSS STATEMENT

The description of the key components of our profit and loss statement is mentioned below.

Income

Revenue from Operations

Revenue from operations comprises interest income, fees and commission income, net gain on fair value changes, income on investments and sale of services. Interest income includes interest on loan portfolio (measured at amortised cost), interest on deposits from banks and interest on loan assets (measured at fair value through other comprehensive income). Fees and commission income is comprised of facilitation fees that the Company earns from manufacturers and distributors which sell their products to customers at the Company's branches and the commission earned through insurance intermediation. Net gain on fair value changes consists of net gain on the sale of loan assets recognised through its profit and loss account. It relates to the fair value changes of the Company's loan assets that it assigns pursuant to its assignment transactions. Income from investments is the income earned from investments in government securities and mutual funds. Sale of services includes the income which the Company receives in relation to collection services that it provides for the portion of loans assigned.

Other Income

Other income comprises interest income on security deposits, gain on termination or modification of lease, interest on income tax refund and miscellaneous income.

Expenses

Expenses include finance costs, fees and commission expenses, net loss on derecognition of financial instruments under amortised cost category, impairment on financial instruments, employee benefit expenses, depreciation and amortisation expense and other expenses.

Finance Cost

Finance costs comprise interest on borrowings (other than debt securities), interest on debt securities and interest cost on lease liabilities.

Fees and Commission Expenses

Fees and commission expenses comprise fees and commission expenses, which relate to expenses incurred in outsourcing the cash management operations to MFL and third-party cash management agencies.

Net Loss on Derecognition of Financial Instruments under Amortised Cost Category

Net loss on derecognition of financial instrument under amortised cost category is the difference between the net carrying value of the loan assets sold to Asset Reconstruction Company and the purchase consideration received for the same.

Impairment on Financial Instruments

Impairment on financial instruments comprises write-off of loans and other receivables, waiver of credit impaired loans as a result of settlements entered with its delinquent customers, financial guarantee expenses and provision for impairment on loan assets and other receivables and netted off with the bad debts recovered.

Employee Benefit Expenses

Employee benefit expenses include salaries and wages, contributions to provident and other funds, share-based payments, gratuity, compensated absence and staff welfare expenses.

Depreciation and Amortisation Expenses

Depreciation and amortisation expense includes depreciation on property, plant and equipment, depreciation on right-of-use assets and amortisation.

Tax Expenses

The tax expenses are comprised of current tax, deferred tax and tax associated to prior periods.

Results of Operations for Financial Year 2025–2026 and 2024–2025

Particulars	Financial year			
	2025-26		2024-25	
	(₹ in million)	% of total income	(₹ in million)	% of total income
Income				
Revenue from operations	23,695.68	99.53%	25,616.93	99.89%
Other income	111.29	0.47%	28.79	0.11%
Total income	**23,806.97**	**100.00%**	**25,645.72**	**100.00%**
Expenses				
Finance costs	8,744.64	36.73%	9,301.05	36.27%
Fees and commission expenses	220.14	0.92%	253.62	0.99%
Net loss on derecognition of financial instruments under amortised cost category	73.59	0.31%	1,142.17	4.45%
Impairment on financial instruments	4,393.10	18.45%	10,423.24	40.64%
Employee benefit expenses	6,035.10	25.35%	5,339.07	20.82%
Depreciation and amortisation expense	431.34	1.81%	428.37	1.67%
Other expenses	1,819.96	7.64%	1,647.24	6.42%
Total expenses	**21,717.87**	**91.22%**	**28,534.76**	**111.27%**

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Particulars	Financial year			
	2025-26		2024-25	
	(₹ in million)	% of total income	(₹ in million)	% of total income
Profit before tax	**2,089.10**	**8.78%**	**(2,889.04)**	**(11.27%)**
Tax expenses	**386.43**	**1.62%**	**(663.81)**	**(2.59%)**
Current tax	148.48	0.62%	468.41	1.83%
Deferred tax	311.58	1.31%	(1,100.71)	(4.29%)
Tax relating to prior years	(73.63)	(0.31%)	(31.51)	(0.12%)
Profit for the year	**1,702.67**	**7.15%**	**(2,225.23)**	**(8.68%)**

2025-26 COMPARED TO 2024-25

Income

Revenue From Operations

Our revenue from operations reduced by 7.50% to ₹ 23,695.68 million for the 2025-26 from ₹ 25,616.93 million for the 2024-25, primarily due to decrease in interest income to ₹ 21,389.77 million for the 2025-26 from ₹ 23,694.79 million for the 2024-25, which was primarily attributable to decrease in interest on loan portfolio to ₹ 21,077.02 million for the 2025-26 from ₹ 23,311.23 million for the 2024-25. The decrease in interest on loan portfolio was in line with decreases in active customers to 3.27 million as of March 31, 2026, from 3.43 million as of March 31, 2025.

The decrease in revenue from operations was also due to a decrease in fees and commission income to ₹ 948.72 million for the 2025-26 from ₹ 973.04 million for the 2024-25, primarily as there was no facilitation and branding fees income in 2025-26, compared to ₹ 910.31 million for the 2024-25, which was offset against the increase in insurance commission income from ₹ 170.67 million for the 2024-25 to ₹ 647.47 million for the 2025-26. Revenue from operations were also impacted positively by the increase in the net gain on fair value changes to ₹ 1,133.33 million for 2025-26 from ₹ 695.26 million for 2024-25.

Other Income

Other income increased by 286.57% to ₹ 111.29 million for the 2025-26 from ₹ 28.79 million for the 2024-25. The increase was primarily due to increase in interest on income tax refund to ₹ 49.50 million for the 2025-26 from ₹ 7.71 million for the 2024-25, Gain on termination/modification of lease to ₹ 35.54 million for the 2025-26 from ₹ 5.94 million for the 2024-25, and miscellaneous income to ₹ 20.89 million for the 2025-26 from ₹ 10.35 million for the Financial Year 2025.

Expenses

Finance Cost

Finance costs decreased by 5.98% to ₹ 8,744.64 million for the 2025-26 from ₹ 9,301.05 million for the 2024-25, primarily due to decreases in (i) interest on borrowings (other than debt securities) to ₹ 7,929.82 million for the 2025-26 from ₹ 8,208.93 million for the 2024-25, and (ii) interest on debt securities to ₹ 631.53 million for the 2025-26 from ₹ 906.45 million for the 2024-25, primarily due to sourcing of funds at a lower rate and (iii) interest cost on lease liabilities to ₹ 183.29 for the 2025-26 from ₹ 185.67 million for the 2024-25, primarily attributable to a decrease in number of lease contracts that we entered into, as there was no increase in branches from March 31, 2025.

Fees And Commission Expenses

Fees and commission expenses decreased by 13.20% to ₹ 220.14 million for the 2025-26 from ₹ 253.62 million for the 2024-25.

Net loss on derecognition of financial instruments under amortised cost category.

Net loss on derecognition of financial instruments reduced by 93.56% to ₹ 73.59 million in 2025-26, from ₹ 1,142.17 million for the 2024-25, as the ARC pool for current year was had a higher provision coverage.

Impairment On Financial Instruments

Impairment on financial instruments decreased by 57.85% to ₹ 4,393.10 million for the 2025-26 from ₹ 10,423.24 million for the 2024-25, primarily due to decrease in (i) provision for impairment on loan assets to ₹ 1,009.72 million for the 2025-26 from ₹ 6,204.86 million for the 2024-25, as there was improvement in Non-Performing Assets to ₹ 4,209.21 million for the 2025-26 from ₹ 4,511.67 million for the 2024-25 and reversal of management overlay of ₹ 2,296.53 million, which was created in 2024-25, (ii) loans waived off to ₹ 354.85 million for the 2025-26 from ₹ 924.35 million for the 2024-25, (iii) loans written off to ₹ 3,081.16 million for the 2025-26 from ₹ 3,180.94 million for the 2024-25.

Employee Benefits Expenses

Employee benefits expense increased by 13.04% to ₹ 6,035.10 million for the 2025-26 from ₹ 5,339.07 million for the 2024-25, primarily due to increases in (i) salaries and wages

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

to ₹ 5,380.36 million for the 2025-26 from ₹ 4,735.15 million for the 2024-25, and (ii) contribution to provident and other funds to ₹ 423.36 million for the 2025-26 from ₹ 396.33 million for the 2024-25, as a result of annual increase in salaries and bonuses of our employees. Further, the increase in employee benefits expense was also attributable to an increase in staff welfare expenses to ₹ 119.69 million for the 2025-26 from ₹ 91.03 million for the 2024-25, and gratuity and compensated absence to ₹ 83.24 million for the 2025-26 from ₹ 63.64 million for the 2024-25.

Depreciation and Amortisation Expense

Depreciation and amortisation costs increased by 0.69% to ₹ 431.34 million for the 2025-26 from ₹ 428.37 million for the 2024-25, due to increases in depreciation on right-of-use assets to ₹ 266.19 million for the 2025-26 from ₹ 254.86 million for the 2024-25, which was offset with the reduction in depreciation on property, plant and equipment to ₹ 164.26 million for the 2025-26 from ₹ 172.87 million for the 2024-25.

Other Expenses

Other expenses increased by 10.49% to ₹ 1,819.96 million for the 2025-26 from ₹ 1,647.24 million for the 2024-25, primarily due to an increase in expenses relating to (i) legal and professional charges to ₹ 385.97 million for the 2025-26 from ₹ 342.09 million for the 2024-25, (ii) traveling and conveyance to ₹ 634.04 million for the 2025-26 from ₹ 568.87 million for the 2024-25, (iii) software support charges to ₹ 220.78 million for the 2025-26 from ₹ 139.09 million for the 2024-25, and (iv) officer expense to ₹ 79.90 million for the 2025-26 from ₹ 63.47 million for the 2024-25.

Profit Before Tax

As a result of the foregoing, the Company earned a profit of ₹ 2,089.10 million for the 2025-26, compared to loss of ₹ 2,889.04 million for the 2024-25.

Tax Expense

Current tax reduced by 68.30% to ₹ 148.48 million for the 2025-26 from ₹ 468.41 million for the 2024-25, primarily due to a reduction in taxable income to ₹ 956.61 million for the 2025-26 from ₹ 2,202.40 million for the 2024-25.

As a result of timing differences in making provisions for loan assets, gratuity and leave encashment and Ind AS adjustments, we had a deferred tax charge of ₹ 311.58 million in 2025-26, against deferred tax reversal of ₹ 1,100.71 million in 2024-25.

As a result of excess provision created for tax in 2024-25, we had tax reversal relating to prior years of ₹ 73.63 million as of March 31, 2026.

Profit after Tax

As a result of the foregoing, our profit after tax came to ₹ 1,702.67 million for the 2025-26 against loss of ₹ 2,225.23 million for the 2024-25.

FINANCIAL POSITION

Our net worth increased by 8.44% to ₹ 28,543.12 million as of March 31, 2026, from ₹ 26,322.27 million as of March 31, 2025. The increase in net worth is mainly due to the after-tax profit of the Company, amounting to ₹ 1,702.67 and other comprehensive income amounting to ₹ 433.40.

The following table sets forth our selected financial data from our financial statements as of March 31, 2026 and 2025:

Particulars	As of March 31, 2026 (₹ in million)	As of March 31, 2025 (₹ in million)
Assets:		
Total financial assets	1,23,806.70	1,04,411.24
Total non-financial assets	3,041.35	4,158.97
Total assets	**1,26,848.05**	**1,08,570.21**
Liabilities and equity:		
Total financial liabilities	98,043.70	82,044.93
Total non-financial liabilities	261.23	203.01
Total liabilities	**98,304.93**	**82,247.94**
Total equity	**28,543.12**	**26,322.27**
Total liabilities and equity	**1,26,848.05**	**1,08,570.21**

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Assets

We had total assets of ₹ 1,26,848.05 million as of March 31, 2026, compared to ₹ 1,08,570.21 million as of March 31, 2025. The increase in total assets was due to increase in financial assets.

Financial Assets

Our total financial assets increased by 18.58% to ₹ 1,23,806.70 million as of March 31, 2026, from ₹ 1,04,411.24 million as of March 31, 2025, primarily due to increase in (i) loan assets to ₹ 1,03,964.70 million as of March 31, 2026 from ₹ 87,401.91 million as of March 31, 2025, in line with increase in disbursements, and (ii) derivative financial instruments (assets) to ₹ 1,826.45 million as of March 31, 2026 from ₹ 76.86 million liability as of March 31, 2025.

Non-Financial Assets

Our total non-financial assets decreased by 26.87% to ₹ 3,041.35 million as of March 31, 2026 from ₹ 4,158.97 million as of March 31, 2025 primarily due to decrease in (i) deferred tax assets (net) to ₹ 480.84 million as of March 31, 2026 from ₹ 938.19 million as of March 31, 2025, (ii) current tax assets (net) to ₹ 355.60 million as of March 31, 2026 from ₹ 802.06 million as of March 31, 2025, (iii) right-of-use assets to ₹ 1,295.08 million as of March 31, 2026 from ₹ 1,456.84 million as of March 31, 2025, and (iv) property, plant and equipment to ₹ 693.13 million as of March 31, 2026 from ₹ 767.73 million as of March 31, 2025, which were primarily attributable to the improvement in financial performance of the Company.

Liabilities

We had total liabilities of ₹ 98,304.93 million as of March 31, 2026, compared to ₹ 82,247.94 million as of March 31, 2025. The increase in total liabilities was mainly due to increase in financial liabilities.

Financial Liabilities

Our total financial liabilities increased by 19.50% to ₹ 98,043.70 million as of March 31, 2026 from ₹ 82,044.93 million as of March 31, 2025, primarily due to increase in (i) debt securities to ₹ 10,426.10 million as of March 31, 2026 from ₹ 5,636.63 million as of March 31, 2025, (ii) borrowings (other than debt securities) to ₹ 85,046.85 million as of March 31, 2026 from ₹ 73,627.58 million as of March 31, 2025, primarily due to fresh issue of non-convertible debentures and new borrowings from banks and financial institutions through term loans, securitisation arrangement and external commercial borrowing.

Non-Financial Liabilities

Our total non-financial liabilities increased by 28.68% to ₹ 261.23 million as of March 31, 2026 from ₹ 203.01 million as of March 31, 2025, primarily due to increase in provisions to ₹ 157.83 million as of March 31, 2026 from ₹ 111.76 million as of March 31, 2025, and increase in other non-financial liabilities to ₹ 103.40 million as of March 31, 2026 from ₹ 91.25 million as of March 31, 2025.

Equity

Our total equity increased by 8.44% to ₹ 28,543.12 million as of March 31, 2026 from ₹ 26,322.27 million as of March 31, 2025 primarily due to increase in other equity to ₹ 26,865.45 million as of March 31, 2026 from ₹ 24,646.30 million as of March 31, 2025, primarily attributable to increase in (a) retained earnings to ₹ 6,079.85 million as of March 31, 2026 from ₹ 4,728.77 million as of March 31, 2025, due to the profit earned during the year.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

As of March 31, 2026, we had cash available for use in our operations of ₹ 7,011.48 million. We currently invest our surplus cash in fixed deposits with various banks and debt mutual funds.

We regularly monitor our funding levels to ensure we have sufficient liquidity to discharge our liabilities. We maintain diverse sources of funding and liquid assets to facilitate flexibility in meeting our liquidity requirements. Liquidity is provided principally by short-term and long-term borrowings from banks and other financial institutions, recovery on our loan portfolio, proceeds from securitisation and assignment of loans, issue of debentures, sales of equity securities and retained earnings.

Cash Flows

The following table summarises our cash flows for 2025-26 and 2024-25

(₹ in million)

Particulars	2025-26	2024-25
Net cash (used in)/generated from operating activities	(5,803.26)	13,820.28
Net cash (used in)/generated from investing activities	(413.93)	(1,277.86)
Net cash (used in)/generated from financing activities	6,256.16	(14,846.41)
Net (decrease)/increase in cash and cash equivalents	38.98	(2,303.99)

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Operating Activities

Net cash used in operating activities was ₹ 5,803.26 million for the 2025-26. We had profit before tax of ₹ 2,089.10 million, which was primarily adjusted for impairment on financial instruments of ₹ 4,393.10 million, finance cost on borrowings of ₹ 8,561.35 million, depreciation and amortisation of ₹ 431.34 million. This was offset by the increase in loan assets of ₹ 21,094.13 million.

Net cash generated from operating activities was ₹ 13,820.28 million for the 2024-25. We had loss before tax of ₹ 2,889.04 million, which was primarily adjusted for impairment on financial instruments of ₹ 10,423.24 million, net loss on derecognition of financial instruments under amortised cost category of ₹ 1,142.17 million, finance cost on borrowings of ₹ 9,115.38 million, depreciation and amortisation of ₹ 428.37 million, working capital changes such as decrease in other receivables of ₹ 1,919.96 million and decrease in other financial assets of ₹ 1,266.60 million. This was also offset by the increase in loan assets of ₹ 5,093.54 million.

Investing Activities

Net cash used in investing activities was ₹ 413.93 million for the 2025-26, which primarily related to investment in security receipts of ₹ 1,207.73 million, and purchase of tangible assets (including capital advances) and intangible assets of ₹ 108.52 million, which was partially offset by redemption of security receipts of ₹ 655.11 million and income from mutual fund investments of ₹ 106.04 million.

Net cash used in investing activities was ₹ 1,277.86 million for the 2024-25, which primarily related to investment in security receipts of ₹ 1,933.80 million, investment in government securities of ₹ 1,254.11 million, and purchase of tangible assets (including capital advances) and intangible assets of ₹ 207.32 million, which was partially offset by redemption of term deposits with banks (net) of ₹ 1,763.02 million and Income from mutual fund investments of ₹ 193.28 million.

Financing Activities

Net cash generated from financing activities was ₹ 6,256.16 million for the 2025-26. This is primarily attributed to proceeds from borrowings including securitisation arrangement of ₹ 71,537.99 million and proceeds from debt securities of ₹ 10,340.15 million. It was offset by repayment of borrowings including securitisation arrangement of ₹ 61,552.78 million, repayment of debt securities of ₹ 5,387.29 million and finance cost paid of ₹ 8,572.94 million.

Net cash used in financing activities was ₹ 14,846.41 million for the 2024-25. This primarily related to repayment of borrowings including securitisation arrangement of ₹ 57,880.60 million, repayment of debt securities of ₹ 4,727.65 million and finance cost paid of ₹ 9,428.12 million. It was offset by proceeds from borrowings including securitisation arrangement of ₹ 56,868.87 million and proceeds from debt securities of ₹ 664.00 million.

Capital Expenditure

During the 2025-26 and 2024-25, we invested ₹ 108.52 million and ₹ 207.32 million, respectively in capital expenditure. The following table sets forth our capital expenditure for the periods mentioned:

(₹ in million)

Particulars	2025-26	2024-25
Tangible assets (including capital advances and capital work-in-progress)	104.89	207.32
Intangible assets (including capital advances and capital work-in-progress)	3.63	Nil
Total	**108.52**	**207.32**

Assignment Arrangements

During FY 2025–26 and FY 2024–25, the Company has assigned loans of ₹ 15,516.63 million and ₹ 18,463.91 million, respectively. The following table sets forth information regarding our direct assignment activity during the financial years.

(₹ in million)

Particulars	2025-26	2024-25
Total book value of the loan asset assigned	15,516.63	18,463.91
Sale consideration received for the loan asset assigned	13,485.96	16,213.09

Contingent Liabilities and Commitments

In 2025-26, bank guarantee provided by the Company amounted to ₹ 5 million.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Capital to Risk Asset Ratios

The NBFC-SI Master Directions require all NBFC-MFIs to maintain a capital adequacy ratio consisting of Tier-I and Tier-II capital that is not less than 15% of their aggregate risk-weighted assets. The Company's capital to risk assets ratio as of March 31, 2026 and March 31, 2025 was 23.92% and 27.85% respectively.

The capital adequacy information of the Company is as indicated below:

Key financial ratios

(₹ in million)

Particulars	2025-26	2024-25
Tier-I capital (1)	21,485.98	21,925.83
Tier-II capital (2)	Nil	368.07
Total Tier-I and Tier-II capital	21,485.98	22,293.90
Total risk-weighted assets	89,835.19	80,038.89
Tier-I capital to risk assets ratio (%)	23.92%	27.39%
Tier-II capital to risk assets ratio (%)	0%	0.46%
Total capital to risk assets ratio(%) (3)	23.92%	27.85%

Notes:

(1) Tier-I capital include (i) paid-up capital (ordinary shares), statutory reserves and other disclosed free reserves, if any; (ii) perpetual non-cumulative preference shares eligible for inclusion as Tier-I capital, subject to laws in force from time to time; (iii) innovative perpetual debt instruments eligible for inclusion as Tier-I capital; and (iv) capital reserves representing surplus arising out of sale proceeds of assets, as reduced by investment in shares of other NBFCs and in shares, debentures, bonds, outstanding loans and advances, including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, 10% of the owned fund as defined in the Master Circular on Prudential Norms on Capital Adequacy, Basel I Framework dated July 01, 2015 issued by the RBI.

(2) Tier-II capital include undisclosed reserves, revaluation reserves, general provisions and loss reserves, hybrid capital instruments, subordinated debt and investment reserve account to the extent the aggregate does not exceed Tier-I capital.

(3) The total capital to risk assets ratio is calculated as capital funds (Tier-I capital plus Tier-II capital) divided by risk-weighted assets (the weighted average of funded and non-funded items after applying the risk weights as assigned by the RBI).

Human Resources

The Company's people philosophy is rooted in a deep sense of purpose, positioning every employee not merely as a contributor to business, but as a participant in a larger mission of financial inclusion and women's empowerment. This sense of meaning is carefully nurtured through a culture built on trust, openness, and shared values, where employees are encouraged to take ownership, voice ideas, and grow with confidence.

From structured onboarding programmes that help new joiners find alignment early on, to continuous, role-based learning and field immersion that build both capability and empathy, the organisation invests meaningfully in every stage of the employee journey. Frontline teams, in particular, benefit from hands-on exposure to customer realities, enabling them to serve with greater understanding and impact.

Leadership remains accessible and engaged, reinforcing this culture through regular interactions, recognition of contributions, and encouragement of innovation. Platforms like Process Champions and internal mobility opportunities further strengthen knowledge sharing and career progression. At the same time, digital tools, including HRMS and emerging AI-led learning initiatives, enhance productivity and enable more efficient ways of working.

The Company also places strong emphasis on fostering an inclusive and supportive workplace. Engagement platforms like All Ideas Matter (AIM), First Step, Milestone, and LeadHER give employees a voice and a sense of belonging, ensuring that their ideas and experiences shape the organisation's journey. The HER platform provides a safe, confidential space for women employees, while initiatives such as Pink Hiring actively promote gender diversity and inclusion.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Employee well-being is addressed through a holistic framework. The Mental Wellness Cell offers professional psychological support, regular health check-ups, targeted wellness programmes, and financial well-being initiatives that help employees manage life beyond work. For a field-intensive workforce, these efforts are complemented by structured processes, training, and on-ground support that ensure both safety and balance.

Recognition programmes such as Star Branch Awards celebrate not just performance, but the real impact employees create in customers' lives, instilling pride and strengthening team spirit. Together, these initiatives foster an environment where employees feel valued, heard, and inspired, enabling both personal and professional growth, while contributing to a meaningful and enduring social impact.

15,735	28	16.43%
Total Employees	**Average Age**	**Confirmed Employee Turnover**

Please refer to page 58 of the Annual Report for a more detailed overview regarding the Human Resource initiatives and people practices.

Environment, Social and Governance (ESG)

MML's ESG approach is centred on driving meaningful community impact while embedding sustainability and strong governance into its core operations. The Company actively advances community upliftment through targeted developmental initiatives, alongside adopting practices that promote environmental responsibility and resource conservation.

Simultaneously, it upholds a robust governance framework anchored in transparency, accountability, and ethical leadership, ensuring responsible and resilient business practices. This consistent focus on governance excellence is reflected in a score of 82.2 achieved during the reporting year, underscoring the Company's commitment to high standards of compliance and corporate integrity.

Please refer to page 54 to 61 of the Annual Report for a more detailed overview regarding the ESG initiatives.

Risk Management

MML is transforming its risk management framework into a dynamic, intelligence-led function, enabling faster, sharper, and more adaptive decision-making in line with evolving customer behaviour. At the core of this approach is a proprietary in-house scorecard built on deep internal data and behavioural insights. This enables finer risk segmentation, improved credit assessment, and stronger alignment with portfolio strategy.

The integration of AI across the credit lifecycle has further strengthened underwriting and decision-making capabilities. Enabling real-time, context-aware evaluations using advanced inputs such as voice, image, and location intelligence enhances assessment quality, particularly for new-to-credit customers.

The Company has also shifted from a reactive to a proactive risk management approach through AI-driven analytics. Early Warning Signals (EWS), dynamic risk rating, and sentiment analysis enable the timely identification of potential delinquencies and the development of more effective customer engagement strategies. These capabilities are complemented by AI-powered analytics that accelerate insights across sourcing, underwriting, and collections, improving both speed and precision of decision-making. This evolving framework is supported by strong governance practices, including continuous model recalibration, bias detection, and explainable AI. Together, these measures ensure fairness, transparency, and regulatory compliance while maintaining high portfolio quality.

Please refer to page 64 of the Annual Report for a more detailed overview regarding the Risk Management and Mitigation Strategies.

Internal Control Systems

The Company has implemented a strong and well-structured internal control framework, supported by clearly defined operational and financial policies and procedures. This system reinforces the accuracy, reliability, and integrity of financial reporting while ensuring strong maintenance of accounting records. It facilitates effective oversight of business operations, safeguards assets against misuse or loss, and promotes strict adherence to applicable laws, regulations, and internal governance standards.

Cautionary Statement

The Management Discussion and Analysis report outlines the Company's goals, assumptions, forecasts and expectations. However, the actual outcomes may vary significantly. A number of factors, such as changes in tax laws, governmental regulations, the Indian economy, or unforeseen circumstances, could affect the Company's performance.

Independent Auditor's Report

To
The Members of

Muthoot Microfin Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Muthoot Microfin Limited** ("the Company"), which comprise the balance sheet as at 31 March 2026, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended and notes to the financial statements, including a summary of the material accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2026, the profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended 31 March 2026. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	How our audit addressed the key audit matter
1. Impairment of loans as at the balance sheet date (including determination of expected credit losses) As at 31 March 2026, the carrying value of loan assets carried at amortised cost and fair value through other comprehensive income (FVOCI) aggregated Rs.103,964.70 million (net of allowance for impairment loss for loan assets Rs. 4,220.06 million) constituting approximately 81.96% of the Company's total assets has been recorded as at reporting date in accordance with Ind AS 109 – Financial Instruments ('Ind AS 109'). Indian Accounting Standard (Ind AS) 109 Financial Instruments requires the Company to provide for impairment of its loans using the expected credit loss (ECL) approach. ECL involves an estimation of probability weighted loss on financial assets over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions and other factors which could impact the credit quality of the Company's loans.	**Principal audit procedure performed:** • Considered the Company's accounting policies for impairment of loans and assessed compliance of the policies with Ind AS 109: Financial Instruments and the governance framework approved by the Board of Directors pursuant to applicable Reserve Bank of India guidelines, ("the RBI Guidelines"). • Evaluated the reasonableness of the management estimates by understanding the process of ECL estimation and related assumptions. Tested the internal controls around extraction, validation and computation of the input data used in such estimation. • Assessed the criteria for staging of loans based on their past-due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) loans to assess whether any SICR or loss indicators were present requiring them to be classified under Stage 2 due to significant increase in credit risk, including loans overdue between 31 to 90 days or stage 3 where default exceeds 90 days.

Key Audit Matters	How our audit addressed the key audit matter
In the process, a significant degree of judgement has been applied by the management for: a) Staging of loans and defining qualitative/quantitative factors for 'significant increase in credit risk' ("SICR") and 'default'. b) Categorization of borrowers (Joint liability group loans portfolio) based on homogeneity for estimating probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD"); c) Determining effect of less frequent past events on future probability of default. d) Application of an appropriate statistical/quantitative model for determining the PD, LGD and EAD estimates. e) Determining macro-economic factors impacting credit quality of loans. In view of the high degree of management's judgement involved in estimation of ECL, impairment of loans as at the balance sheet date (including expected credit losses) is considered as a key audit matter. (Note 1 (viii) of the financial statements)	• Tested ECL estimates, including factors that affect the PD, LGD and EAD considering various forward looking macro-economic and other factors. • Tested the arithmetical accuracy of computation of ECL provision performed by the Company. • Assessed the adequacy of disclosures included in the financial statements with the relevant requirements of Ind AS 107 and 109. • Performed an overall assessment of the ECL provision at each stage considering the Company's portfolio, risk profile and the macroeconomic environment etc. • Assessed the rationale, assumptions and methodology used for determining the management overlay and evaluated the appropriateness of judgments applied.
2. IT systems and controls Financial accounting and reporting processes, especially in the financial services sector, are fundamentally reliant on IT systems and IT controls to process significant transaction volumes. Hence, we identified IT systems and controls over financial reporting as a key audit matter for the Company. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure reliable financial reporting.	**Principal audit procedure performed:** • Involved our IT specialists for checking the IT systems and controls over financial reporting. • Tested the design and operating effectiveness of the Company's IT access controls over the information systems that are important to financial reporting and various interfaces, configuration and other identified application controls. • Tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing requests for access to systems were reviewed and authorized. • Tested the Company's periodic review of access rights. We also tested requests of changes to systems for approval and authorization. • Tested the design and operating effectiveness of certain automated controls that were considered as key internal controls over financial reporting.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the annual report namely Directors' Report, Annexures to Board Report, Management Discussion and Analysis, Corporate Governance Report, Business Responsibility Statement, but does not include the financial statements and our auditor's report thereon. The reports are expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the Other Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 (Revised) 'The Auditor's responsibilities Relating to Other Information'.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to the financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current financial year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014;
   c) The Balance sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity, and Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
   d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
   e) On the basis of written representations received from the directors as on 31 March 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026, from being appointed as a director in terms of Section 164(2) of the Act;
   f) The modifications relating to the maintenance of accounts and other matters connected therewith as stated in paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
   g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**"; Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial control over financial reporting;
   h) In our opinion, the managerial remuneration for the year ended 31 March 2026 has been paid/provided by the Company to its director in accordance with the provisions of section 197 read with Schedule V to the Act;
   i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company does not have any pending litigation which would impact its financial position as at 31 March 2026;
      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 14 to the financial statements;
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2026.
      iv. (a) The management has represented to us that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

         (b) The management has also represented to us, that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared or paid any dividend during the year and has not proposed a final dividend for the year.

vi. Based on our examination, which included test checks, the Company has used multiple accounting software/applications for maintaining its books of account during the year which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the respective software.

However, from 1 April 2025 to 30 September 2025, the Company used Orion ERP before transitioning to Oracle Fusion ERP on 1 October 2025. Post-migration, user access to Orion was disabled at both database and application levels, though Orion's service provider confirmed that transaction-level logs remain available for future verification and saved as per regulatory requirement. For Oracle Fusion, the Company's new SaaS-based ERP solution, maintains comprehensive audit trail logs with restricted database access to prevent unauthorized backend modifications or edits. Oracle Fusion demonstrated SOC 2-Type 2 compliance during the audit period and provided an interim bridge report for the period 1 October 2025 to 31 March 2026 confirming that no material changes to IT infrastructure occurred that would compromise its SOC compliance posture. During the audit period, the Company retained full LMS/LOS application-level and database-level logs and further enhanced log retrieval capabilities by implementing a SQL compliance monitoring tool on 1 February 2026 to capture database-level changes, including extraction of old and new values.

Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered and where the audit trail feature was enabled, the same has been preserved by the Company in accordance with applicable statutory requirements for record retention.

For **Suresh Surana & Associates LLP**
Chartered Accountants
Firm's Reg. No.: 121750W/W100010

Ramesh Gupta
Partner
Membership No. 102306
UDIN: 26102306TVVRJW8466

Place: Mumbai
Dated: 6 May 2026

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date)

I. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of its Property, Plant and Equipment and relevant details of right of use assets.

(B) The Company has maintained proper records showing full particulars of its Intangible assets.

(b) The Company has a policy of conducting physical verification of property, plant, and equipment for each branch in a phased manner to ensure that the verification is completed within a 180-day cycle, and in our opinion, the same is reasonable having regard to the size of the Company and the nature of its business. Pursuant to the programme, certain Property, Plant and equipment have been physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable properties. Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.

(d) According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use Assets) and intangible assets during the year.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

II. (a) The Company is a non-banking financial company (hereinafter referred to as "the NBFC") primarily engaged in investing and financing activities. Accordingly, it does not hold any inventories and hence, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate at any point of time, from banks or financial institutions on the basis of security of current assets. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company:

III. The Company is a non-deposit taking non-banking financial company ("NBFC") registered with the Reserve Bank of India ("RBI").

During the year, the Company has not provided guarantee/security to companies, firms, limited liability partnerships and other parties. During the year, in the ordinary course of its business, the Company has made investments, granted loans and advances in the nature of loans, unsecured, to companies, firms, limited liability partnerships and other parties. With respect to such investments, guarantees/security and loans and advances:

(a) The Company is a NBFC whose principal business is to give loans. Accordingly, reporting under clause 3(iii)(a) of the Order is not applicable to the Company.

(b) According to information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the investments made and terms and conditions of the loans given and advances in the nature of loans are in the normal course of business, prima facie are not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the schedule of repayment of principal and interest has been stipulated and the receipts of principal and interests are generally regular wherever due; except there were cases which were not repaid/paid when they were due or were repaid/paid with a delay. Such loans have been accounted for in accordance with the Company's policy on asset classification and provisioning as described in note 1 (viii) and (xi) to the financial statements

Having regard to the voluminous nature of loan transactions, it is not practicable to furnish party-wise details of irregularities in this report. However, such details are available with the Company. For details of total loans and advances which were overdue as of March 31, 2026 refer note 45 A.7.2 to the financial statements

(d) The Company, being a NBFC, registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors and report, total amount overdue including principal and/or payment of interest by its customers for more than 90 days. In cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer note 45 A.7.2 to the financial statements for summarised details of such loans/advances which are not repaid by borrowers as per stipulations. According to the information and explanations made available to us, reasonable steps are taken by the Company for recovery thereof.

(e) The Company is a NBFC whose principal business is to give loans. Accordingly, reporting under clause 3(iii)(e) of the Order is not applicable to the Company.

(f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Accordingly, reporting under clause 3(iii)(f) of the Order is not applicable to the Company.

IV. In our opinion and according to information and explanations given to us and based on the audit procedures performed, the Company has not given loan to any director in accordance with the provisions of Section 185 of the Companies Act, 2013. The Company has not given any loans or guarantees and being a Non-banking financial company, due to which its investments are exempted under Section 186(11) (b), Accordingly, reporting under clause 3(iv) of the Order is not applicable.

V. According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

VI. The Company is a NBFC whose principal business is to give loans and Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, in respect of the services rendered by the Company. Accordingly, reporting under clause 3(vi) of the Order is not applicable to the Company.

VII. According to the information and explanations given to us, in respect of statutory dues:

a. The Company is regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and services tax, duty of customs, cess and any other statutory dues as applicable to the appropriate authorities.

There are no arrears of undisputed amounts payable in respect of aforesaid statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable; and

b. There are no dues referred in sub clause (a) which have not been deposited with the appropriate authorities on account of any dispute as on 31 March 2026.

VIII. According to the information and explanations given to us, no transactions relating to previously unrecorded income were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Accordingly, reporting under clause 3(viii) of the Order is not applicable to the Company.

IX. According to the information and explanations given to us, in respect of borrowings:

(a) The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared willful defaulter by any bank or financial institution or other lender.

(c) Term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been prima facie used for long-term purposes during the year by the Company.

(e) The Company does not have subsidiary, associate, or joint venture. Accordingly, reporting under clause 3(ix)(e) of the Order is not applicable to the Company.

(f) The Company does not have subsidiary, associate, or joint venture. Accordingly, reporting under clause 3(ix)(f) of the Order is not applicable.

X. (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year and hence, reporting under clause (x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence, reporting under clause (x)(b) of the Order is not applicable to the Company.

XI. (a) Except for cases aggregating to Rs. 29.28 Million which largely pertains to cheating, forgery, misappropriation and criminal breach of trust, we have neither come across any instance of fraud by the Company or any material instance of fraud on the Company by its officers or employees, noticed or reported.

(b) No report under Section 143(12) of the Act in the Form ADT - 4, as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 (as amended from time to time) has been filed with the Central Government for the period covered by our audit. Accordingly, reporting under clause (xi)(b) of the Order is not applicable to the Company

(c) According to the information and explanations given to us and based on our examination of the books of account of the Company, no whistle blower complaints have been received during the year by the Company.

XII. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

XIII. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with Section 188 and 177 of the Act, and details of such related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

XIV. (a) Based on the information and explanations given to us and our audit procedures, the Company has an adequate internal audit system commensurate with the size and the nature of its business; and

(b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto 31 March 2026 in determining the nature, timing and extent of our audit procedures in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors".

XV. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with its directors or persons connected with them during the year. Accordingly, reporting under clause 3(xv) of the Order is not applicable to the Company.

XVI. (a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and the Company has obtained the required registration.

(b) Based on our audit procedures and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid CoR from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) According to the information and explanations given to us, the Company is not a Core Investment Company ('CIC') as defined under the Regulations by the Reserve Bank of India. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly, the reporting under clause 3(xvi) of the Order is not applicable to the Company.

XVII. According to the information and explanations given to us, the Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.

XVIII. There has been no resignation by the statutory auditor of the Company during the year. Accordingly, clause 3(xviii) of the Order is not applicable to the Company.

XIX. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

XX. (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act, 2013 (the "Act"), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 36.1 to the financial statements.

(b) In respect of ongoing projects, there are no unspent amounts that are required to be transferred to a special account in compliance with provision of sub section (6) of section 135 of the said Act. This matter has been disclosed in note 36.1 to the financial statements.

For **Suresh Surana & Associates LLP**
Chartered Accountants
Firm's Reg. No.: 121750W/W100010

Ramesh Gupta
Partner
Membership No. 102306
UDIN: 26102306TVVRJW8466

Place: Mumbai
Dated: 6 May 2026

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(g) under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Muthoot Microfin Limited ("the Company") as of 31 March 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls over financial reporting. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisation of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to further periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **Suresh Surana & Associates LLP**
Chartered Accountants
Firm's Reg. No.: 121750W/W100010

Ramesh Gupta
Partner
Membership No. 102306
UDIN: 26102306TVVRJW8466

Place: Mumbai
Dated: 6 May 2026

Balance Sheet

as at March 31, 2026
(All amounts in ₹ millions, unless stated otherwise)

Particulars	Notes	As at March 31, 2026	As at March 31, 2025
ASSETS			
Financial assets			
Cash and cash equivalents	2	7,011.48	6,972.50
Bank balances other than cash and cash equivalents	3	4,396.24	4,725.22
Receivables			
(a) Trade receivables	4	253.63	221.12
(b) Other receivables	5	356.51	488.24
Loans	6	1,03,964.70	87,401.91
Investments	7	4,058.30	3,543.42
Derivative financial instruments	14	1,826.45	-
Other financial assets	8	1,939.39	1,058.83
		1,23,806.70	**1,04,411.24**
Non-financial assets			
Current tax asset (net)	9	355.60	802.06
Deferred tax assets (net)	20	480.84	938.19
Property, plant and equipment	10	693.13	767.73
Right-of-use assets	11	1,295.08	1,456.84
Other intangible assets	12	4.41	1.67
Other non-financial assets	13	212.29	192.48
		3,041.35	**4,158.97**
Total		**1,26,848.05**	**1,08,570.21**
LIABILITIES AND EQUITY			
Liabilities			
Financial liabilities			
Derivative financial instruments	14	-	76.86
Payables			
Trade Payables			
(a) total outstanding dues of micro enterprises and small enterprises	15	0.21	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	15	197.29	190.25
Other payables			
(a) total outstanding dues of micro enterprises and small enterprises	16	-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	16	16.25	6.48
Debt securities	17	10,426.10	5,636.63
Borrowings (other than debt securities)	18	85,046.85	73,627.58
Lease liabilities	11	1,599.53	1,749.23
Other financial liabilities	19	757.47	757.90
		98,043.70	**82,044.93**
Non Financial liabilities			
Provisions	21	157.83	111.76
Other non financial liabilities	22	103.40	91.25
		261.23	**203.01**
Equity			
Share capital	23	1,677.67	1,675.97
Other equity	24	26,865.45	24,646.30
		28,543.12	**26,322.27**
Total		**1,26,848.05**	**1,08,570.21**
Corporate information and Material Accounting Policies	1		

The accompanying notes are an integral part of the financial statements.
This is the balance sheet referred to in our report of even date.

For Suresh Surana & Associates LLP
Chartered Accountants
Firm's Registration No.: 121750W/W100010

Ramesh Gupta
Partner
Membership No.: 102306
Place: Mumbai

Date: May 06, 2026

For and on behalf of the Board of Directors of
Muthoot Microfin Limited
CIN : L65190MH1992PLC066228

Thomas Muthoot John
Executive Director
DIN: 07557585
Place: Mumbai

Thomas Muthoot
Director
DIN: 00082099
Place: Mumbai

Thomas George Muthoot
Director
DIN: 00011552
Place: Mumbai

Sadaf Sayeed
Chief Executive Officer
Place: Mumbai

Praveen T
Chief Financial Officer
Place: Mumbai

Neethu Ajay
Chief Compliance Officer
& Company Secretary
Membership No.: A34822
Place: Mumbai

Statement of Profit and Loss

for the year ended March 31, 2026
(All amounts in ₹ millions, unless stated otherwise)

Particulars	Notes	Year ended March 31, 2026	Year ended March 31, 2025
REVENUE FROM OPERATIONS			
Interest income	25	21,389.77	23,694.79
Fees and commission income	26	948.72	973.04
Net gain on fair value changes	27	1,133.33	695.26
Income on investments	28	193.16	236.84
Sale of services		30.70	17.00
Total revenue from operations		**23,695.68**	**25,616.93**
Other income	29	111.29	28.79
Total income		**23,806.97**	**25,645.72**
EXPENSES			
Finance costs	30	8,744.64	9,301.05
Fees and commission expenses	31	220.14	253.62
Net Loss on derecognition of financial instruments under amortised cost category	32	73.59	1,142.17
Impairment on financial instruments	33	4,393.10	10,423.24
Employee benefits expense	34	6,035.10	5,339.07
Depreciation and amortisation expense	35	431.34	428.37
Other expenses	36	1,819.96	1,647.24
Total expenses		**21,717.87**	**28,534.76**
Profit/(Loss) before tax		**2,089.10**	**(2,889.04)**
Tax expense			
Current tax	38	148.48	468.41
Deferred tax	38	311.58	(1,100.71)
Tax relating to prior years		(73.63)	(31.51)
Tax expense		**386.43**	**(663.81)**
Profit/(Loss) for the year (A)		**1,702.67**	**(2,225.23)**
Other Comprehensive income			
Items that will not be reclassified to profit and loss			
Remeasurement of gain/(loss) on defined benefit plan (net)		(14.78)	(12.89)
Tax impact on above		3.72	3.24
Items that will be reclassified to profit and loss			
Remeasurement of financial assets carried at fair value through OCI		168.69	921.16
Net movement on effective portion of Cashflow hedge		463.01	(426.41)
Fair value change in FVOCI Debt Securities		(37.75)	7.00
Tax impact on above		(149.49)	(72.72)
Other comprehensive income/(loss) for the year, net of tax (B)		**433.40**	**419.38**
Total comprehensive income/(loss) for the year (A+B)		**2,136.07**	**(1,805.85)**
Earning per equity share (face value of ₹ 10 each)	37		
Basic (₹)		10.16	(13.29)
Diluted (₹)		10.15	(13.07)
Corporate information and Material Accounting Policies	1		

The accompanying notes are an integral part of the financial statements.
This is the Statement of Profit and Loss referred to in our report of even date.

For Suresh Surana & Associates LLP
Chartered Accountants
Firm's Registration No.: 121750W/W100010

For and on behalf of the Board of Directors of
Muthoot Microfin Limited
CIN : L65190MH1992PLC066228

Ramesh Gupta
Partner
Membership No.: 102306
Place: Mumbai

Thomas Muthoot John
Executive Director
DIN: 07557585
Place: Mumbai

Thomas Muthoot
Director
DIN: 00082099
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DIN: 00011552
Place: Mumbai

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Chief Executive Officer
Place: Mumbai

Praveen T
Chief Financial Officer
Place: Mumbai

Neethu Ajay
Chief Compliance Officer
& Company Secretary
Membership No.: A34822
Place: Mumbai

Date: May 06, 2026

Statement of Cash Flows

for the year ended March 31, 2026

(All amounts in ₹ millions, unless stated otherwise)

	Year ended March 31, 2026	Year ended March 31, 2025
Cash flows from operating activities		
Profit before tax	2,089.10	(2,889.04)
Adjustments		
Depreciation and amortisation	431.34	428.37
(Gain)/loss on sale of tangible assets	6.03	1.32
Provision for employee benefits	83.24	63.78
Net Loss on derecognition of financial instruments under amortised cost category	73.59	1,142.17
Impairment on financial instruments	4,393.10	10,423.24
Income from Investments	(193.16)	(236.84)
Interest income on security deposits	(5.36)	(4.78)
Gain on termination/modification of lease	(35.54)	(5.94)
Gain on sale of loan asset through direct assignment	(1,133.33)	(695.26)
Adjustments towards effective interest rate in respect of loan assets	233.34	(89.01)
Adjustments towards effective interest rate in respect of debt securities and borrowings	(158.04)	54.94
Share based payments	28.45	52.92
Adjustment on account of consolidation of ESOP trust	(1.09)	3.35
Finance cost on borrowings	8,561.35	9,115.38
Finance cost on leases	183.29	185.67
Share issue expenses	42.90	-
Operating profit before working capital changes	**14,599.21**	**17,550.27**
Working capital changes		
(Increase)/decrease in loans	(21,094.13)	(5,093.54)
(Increase)/decrease in trade receivables	(32.51)	(75.94)
(Increase)/decrease in other receivables	131.73	1,919.96
(Increase)/decrease in other financial assets	257.35	1,266.60
(Increase)/decrease in other non financial assets	(13.31)	152.73
Increase/(decrease) in Derivative financial instruments	-	76.86
Increase/(decrease) in trade payables	7.25	(51.61)
Increase/(decrease) in other payables	9.77	(2.15)
Increase/(decrease) in other financial liabilities	(0.43)	(665.07)
Increase/(decrease) in provisions	(51.94)	(75.00)
Increase/(decrease) in other non financial liabilities	12.15	(74.89)
Cash (used in)/generated from operating activities	**(6,174.87)**	**14,928.21**
Income taxes (paid)/refund received (net)	371.61	(1,107.94)
Net cash (used in)/generated from operating activities	**(5,803.26)**	**13,820.28**
Cash flows from investing activities		
Purchase of property plant and equipment (including capital advances) and intangible assets	(108.52)	(207.32)
Investment in term deposits with banks (net)	51.36	1,763.02
Investment in Security Receipts	(1,207.73)	(1,933.80)
Proceeds from redemption of Security Receipts	655.11	118.58
Investment in Government Securities	-	(1,254.11)
Interest received on Government Securities	87.12	43.56
Purchase of Mutual Funds	(41,180.00)	(46,550.00)
Redemption of Mutual Funds	41,286.04	46,743.28
Proceeds from sale of property plant and equipment	2.69	(1.07)
Net cash (used in)/generated from investing activities	**(413.93)**	**(1,277.86)**

Statement of Cash Flows

for the year ended March 31, 2026

(All amounts in ₹ millions, unless stated otherwise)

	Year ended March 31, 2026	Year ended March 31, 2025
Cash flows from financing activities		
Settlement of amount retained in IPO proceeds account	277.62	-
Proceeds from borrowings including securitisation arrangement	71,537.99	56,868.87
Proceeds from debt securities	10,340.15	664.00
Repayment of borrowings	(61,552.78)	(57,880.60)
Repayment of debt securities	(5,387.29)	(4,727.65)
Finance cost paid	(8,572.94)	(9,428.12)
Proceeds from exercise of employee stock option	14.52	28.32
Payment of lease liabilities	(401.11)	(371.23)
Net cash (used in)/generated from financing activities	**6,256.16**	**(14,846.41)**
Net (decrease)/increase in cash and cash equivalents	38.98	(2,303.99)
Cash and cash equivalents as at the beginning of the Year	6,972.50	9,276.49
Cash and cash equivalents as at the end of the Year	**7,011.48**	**6,972.50**
Components of cash and cash equivalents		
Cash in hand	26.26	26.93
Balances with banks in current account	6,145.97	6,114.20
Term deposits with residual maturity of 3 months or less with scheduled banks	839.25	831.37
	7,011.48	**6,972.50**
Operational cash flows from interest		
Interest paid	8,414.90	9,483.06
Interest received	21,077.02	21,153.20

i) The Statement of Cash Flows has been presented using indirect method as per the requirements of Ind AS 7 - “Statement of Cash Flows”.

ii) Figures in brackets indicate cash outflow.

iii) Income taxes refund/(paid) is treated as arising from operating activities and is not bifurcated between investing and financing activities.

Corporate information and Material Accounting Policies (Refer note 1)

The accompanying notes are an integral part of the financial statements.
This is the Statement of Cash Flows referred to in our report of even date.

For Suresh Surana & Associates LLP
Chartered Accountants
Firm’s Registration No.: 121750W/W100010

Ramesh Gupta
Partner
Membership No.: 102306
Place: Mumbai

Date: May 06, 2026

For and on behalf of the Board of Directors of
Muthoot Microfin Limited
CIN : L65190MH1992PLC066228

Thomas Muthoot John
Executive Director
DIN: 07557585
Place: Mumbai

Thomas Muthoot
Director
DIN: 00082099
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Thomas George Muthoot
Director
DIN: 00011552
Place: Mumbai

Sadaf Sayeed
Chief Executive Officer
Place: Mumbai

Praveen T
Chief Financial Officer
Place: Mumbai

Neethu Ajay
Chief Compliance Officer
& Company Secretary
Membership No.: A34822
Place: Mumbai

Statement of Changes in Equity

(All amounts in ₹ millions, unless stated otherwise)

A. EQUITY SHARE CAPITAL

As at March 31, 2026

Particulars	Balance as at April 01, 2025	Change in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting year	Change in equity share capital during the year	Balance as at March 31, 2026
Equity shares of ₹ 10 each, issued, subscribed and fully paid up	1,675.97	-	1,675.97	1.70	1,677.67

As at March 31, 2025

Particulars	Balance as at April 01, 2024	Change in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting year	Change in equity share capital during the year	Balance as at March 31, 2025
Equity shares of ₹ 10 each, issued, subscribed and fully paid up	1,672.67	-	1,672.67	3.30	1,675.97

B. OTHER EQUITY

Particulars	Reserves and surplus					Other Comprehensive Income			Total
	Securities premium	Reserve fund u/s 45-IC of RBI Act 1934	General reserves	Employee stock options outstanding	Retained earnings	Fair Value of Loans carried at FVOCI	Fair Value of Investment carried at FVOCI	Effective portion of Cashflow hedge	
Balance as at April 01, 2024	**15,976.61**	**2,019.67**	**(4.50)**	**148.06**	**6,963.65**	**1,267.36**	**-**	**-**	**26,370.85**
Changes in accounting policy/prior period error	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	**15,976.61**	**2,019.67**	**(4.50)**	**148.06**	**6,963.65**	**1,267.36**	**-**	**-**	**26,370.85**
Profit for the year	-	-	-	-	(2,225.23)	-	-	-	(2,225.23)
Remeasurement of financial assets carried at fair value through OCI	-	-	-	-	-	921.16	-	-	921.16
Remeasurement of gain/(loss) on defined benefit plan	-	-	-	-	(12.89)	-	-	-	(12.89)
Fair value change in FVOCI Debt Securities	-	-	-	-	-	-	7.00	-	7.00
Fair Value change on Derivatives designated as Cashflow Hedge	-	-	-	-	-	-	-	(426.41)	(426.41)
Income tax relating to items of other comprehensive income	-	-	-	-	3.24	(178.28)	(1.76)	107.32	(69.48)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**(2,234.88)**	**742.88**	**5.24**	**(319.09)**	**(1,805.85)**
Transferred from retained earnings to reserve fund u/s 45-IC of RBI Act 1934	-	-	-	-	-	-	-	-	-

Statement of Changes in Equity

(All amounts in ₹ millions, unless stated otherwise)

B. OTHER EQUITY (Contd.)

Particulars	Reserves and surplus					Other Comprehensive Income			Total
	Securities premium	Reserve fund u/s 45-IC of RBI Act 1934	General reserves	Employee stock options outstanding	Retained earnings	Fair Value of Loans carried at FVOCI	Fair Value of Investment carried at FVOCI	Effective portion of Cashflow hedge	
Changes during the year in employee stock options outstanding	-	-	-	52.92	-	-	-	-	52.92
Proceeds on transfer of treasury shares during the year	25.03	-	-	-	-	-	-	-	25.03
Adjustment on account of consolidation of ESOP trust	-	-	3.35	-	-	-	-	-	3.35
Transfer during the year	-	-	21.83	(21.83)	-	-	-	-	-
Balance as at March 31, 2025	**16,001.64**	**2,019.67**	**20.68**	**179.15**	**4,728.77**	**2,010.24**	**5.24**	**(319.09)**	**24,646.30**
Changes in accounting policy/prior period error	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	**16,001.64**	**2,019.67**	**20.68**	**179.15**	**4,728.77**	**2,010.24**	**5.24**	**(319.09)**	**24,646.30**
Profit for the year	-	-	-	-	1,702.67	-	-	-	1,702.67
Remeasurement of financial assets carried at fair value through OCI	-	-	-	-	-	168.69	-	-	168.69
Remeasurement of gain/ (loss) on defined benefit plan	-	-	-	-	(14.78)	-	-	-	(14.78)
Fair value change in FVOCI Debt Securities	-	-	-	-	-	-	(37.75)		(37.75)
Fair Value change on Derivatives designated as Cashflow Hedge	-	-	-	-	-	-	-	463.01	463.01
Income tax relating to items of other comprehensive income	-	-	-	-	3.72	(42.46)	9.50	(116.53)	(145.77)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**1,691.61**	**126.23**	**(28.25)**	**346.48**	**2,136.07**
Transferred from retained earnings to reserve fund u/s 45-IC of RBI Act 1934	-	340.53	-	-	(340.53)	-	-	-	-
Changes during the year in employee stock options outstanding	-	-	-	28.45	-	-	-	-	28.45
Proceeds on transfer of treasury shares during the year	12.82	-	-	-	-	-	-	-	12.82
Adjustment on account of consolidation of ESOP trust	-	-	(1.09)	-	-	-	-	-	(1.09)

Statement of Changes in Equity

(All amounts in ₹ millions, unless stated otherwise)

B. OTHER EQUITY (Contd.)

Particulars	Reserves and surplus					Other Comprehensive Income			Total
	Securities premium	Reserve fund u/s 45-IC of RBI Act 1934	General reserves	Employee stock options outstanding	Retained earnings	Fair Value of Loans carried at FVOCI	Fair Value of Investment carried at FVOCI	Effective portion of Cashflow hedge	
Transfer during the year	-	-	8.66	(8.66)	-	-	-	-	-
Adjustment in Securities Premium Account pursuant to final settlement of IPO related expenses	42.90	-	-	-	-	-	-	-	42.90
Balance as at March 31, 2026	**16,057.36**	**2,360.20**	**28.25**	**198.94**	**6,079.85**	**2,136.47**	**(23.01)**	**27.39**	**26,865.45**

The accompanying notes are an integral part of the financial statements.
This is the Statement of Changes in Equityreferred to in our report of even date.

For Suresh Surana & Associates LLP
Chartered Accountants
Firm's Registration No.: 121750W/W100010

Ramesh Gupta
Partner
Membership No.: 102306
Place: Mumbai

Date: May 06, 2026

For and on behalf of the Board of Directors of
Muthoot Microfin Limited
CIN : L65190MH1992PLC066228

Thomas Muthoot John
Executive Director
DIN: 07557585
Place: Mumbai

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Chief Executive Officer
Place: Mumbai

Praveen T
Chief Financial Officer
Place: Mumbai

Neethu Ajay
Chief Compliance Officer
& Company Secretary
Membership No.: A34822
Place: Mumbai

Notes Forming Part of Financial Statements

for the year ended March 31, 2026
(All amounts in ₹ millions, unless stated otherwise)

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

a) Corporate information

Muthoot Microfin Limited (the ‘Company’) was incorporated as a private limited company in the year 1992 under the erstwhile Companies Act, 1956, having it’s registered office at 13th Floor, Parinee Crescenzo, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra - 400051. Effective March 18, 1998, the Company was registered as a non-deposit accepting Non-Banking Financial Company (‘NBFC-ND’) as defined under section 45-IA of the Reserve Bank of India (RBI) Act, 1934. The Company is classified under “Middle Layer” pursuant to Master Direction– Reserve Bank of India (Non-Banking Financial Company-Registration, Exemptions and Framework for Scale Based Regulation) Directions dated November 28, 2025 and is registered as a Non-Banking Financial Company – Micro Finance Institution (‘NBFC-MFI’) with the Reserve Bank of India (“RBI”), w.e.f. 25 March 2015. The Company’s equity shares are listed on National Stock Exchange (NSE) and Bombay Stock Exchange (‘BSE’). The Company has secured a corporate agent license on June 18, 2024 from the Insurance Regulatory and Development Authority of India (IRDAI) with Registration Number - CA0953.

The operations of the Company are based on the Grameen model of lending. It is designed to promote entrepreneurship among women and inclusive growth. The Company is primarily engaged in providing financial assistance through micro loans to women engaged in small income generating activities.

Financial statements were subject to review and recommendation of the Audit Committee and approval of the Board of Directors. On May 06, 2026, the Board of Directors of the Company approved and recommended the financial statements for consideration and adoption by the shareholders in its Annual General Meeting.

b) Basis of preparation

(i) Statement of compliance

These financial statements (“the Financial Statements”) have been prepared in accordance with the Indian Accounting Standards (‘Ind AS’) as notified by Ministry of Corporate Affairs (‘MCA’) under Section 133 of the Companies Act, 2013 (‘Act’) read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act, circulars, guidelines and directions issued by the Reserve Bank of India (“RBI”) from time to time. The Company has uniformly applied the accounting policies for all the periods presented in this financial statements.

The Company has complied with the disclosures as required by the Master Direction - Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, issued vide circular no. RBI/DOR/2025-26/359 DOR.ACC.REC. No.278/21.04.018/2025-26 dated November 28, 2025, as amended.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use.

(ii) Historical cost convention

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities, share based payments which are measured at fair values, and employee benefit plans which are measured using actuarial valuation, as explained in relevant accounting policies.

(iii) Presentation of financial statements

The financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013, applicable to NBFCs as notified by the Ministry of Corporate Affairs (MCA). The financial statements are presented in Indian Rupees (₹) in million except otherwise, which is also the functional currency of the Company, with rounding off to two decimals as permitted by Schedule III to the Act, indicated. Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

a. The normal course of business

b. The event of default

c. The event of insolvency or bankruptcy of the Company and/or its counterparties

c) Summary of material accounting policies

The financial statements have been prepared using the material accounting policies and measurement bases summarised as below.

Notes Forming Part of Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ millions, unless stated otherwise)

i. Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in statement of profit and loss.

Subsequent measurement (depreciation method, useful lives and residual value)

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on the straight-line method over the useful life of the assets as prescribed under Part 'C' of Schedule II of the Companies Act, 2013.

Depreciation is calculated on pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed.

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the statement of profit and loss, when the asset is derecognised.

ii. Intangible assets

Recognition and initial measurement

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price including any import duties and other taxes (other than those subsequently recoverable from taxation authorities), borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent measurement (amortisation method, useful lives and residual value)

Intangible assets are amortised on a straight line basis from the date when the assets are available for use. Intangible assets are amortised on a straight-line basis over their estimated useful economic lives as prescribed under Part 'C' of Schedule II of the Companies Act, 2013.

iii. Revenue recognition

Interest and processing fee income on loans

Interest and processing fee income is recorded on accrual basis using the effective interest rate (EIR) method. Additional interest/overdue interest/ penal charges, if any, are recognised only when it is reasonably certain that the ultimate collection will be made.

Income from assignment transactions

Income from assignment transactions i.e., present value of excess interest spread is recognised when the related loan assets are de-recognised. Interest income is also recognised on carrying value of assets over the remaining period of such assets.

Commission income

Income from business correspondent services is recognised as and when the services are rendered as per agreed terms and conditions of the contract. A receivable is recognised when the services are delivered as this is the case of point in time recognition where consideration is unconditional because only the passage of time is required.

Miscellaneous income

All other income is recognised on an accrual basis, when there is no uncertainty in the ultimate realisation/collection.

iv. Borrowing costs

All borrowing costs are charged to the Statement of Profit and Loss as incurred basis the effective interest rate method. Borrowing costs consists of interest and other cost that the Company incurred in connection with the borrowing of funds.

v. Taxation

Tax expense recognised in Statement of Profit and Loss comprises the sum of deferred tax and current tax except to the extent it recognised in other comprehensive income or directly in equity.

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Current tax comprises the tax payable or receivable on taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. Current tax is computed in accordance with relevant tax regulations. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. Current tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets are recognised on deductible temporary differences to the extent it is probable that the future taxable profits will be available against which they can be used. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

vi. Employee benefits

Short-term employee benefits

Short-term employee benefits including salaries, short term compensated absences (such as a paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related service, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non-monetary benefits for current employees are estimated and measured on an undiscounted basis.

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

Defined Contribution plans

The Company has a defined contribution plans namely provident fund, pension fund and employees state insurance scheme. The contribution made by the Company in respect of these plans are charged to the Statement of Profit and Loss.

Defined benefit plans

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees, where in the benefit employee will receive on retirement is defined by reference to employee's length of service and last drawn salary. Under the defined benefit plan, the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The legal obligation for any benefits remains with the Company, even if plan assets for funding the defined benefit plan have been set aside. The liability recognised in the statement of financial position for defined benefit plans is the present value of the Defined Benefit Obligation (DBO) at the reporting date less the fair value of plan assets. Management estimates the DBO quarterly with the assistance of independent actuaries. Actuarial gains/losses resulting from re-measurements of the liability/asset are included in other comprehensive income.

Other long-term employee benefits

The Company also provides the benefit of compensated absences to its employees which are in the nature of long-term employee benefit plan. Liability in respect of compensated absences becoming due and expected to availed after one year from the Balance Sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to Statement of Profit and Loss in the year in which such gains or losses are determined.

vii. Share based payments

The Company has formulated an Employees Stock Option Schemes to be administered through a Trust. The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in other equity. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in Statement of Profit and Loss, with a corresponding adjustment to equity.

viii Impairment of financial assets

Loan assets

The Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised as below:

a) Stage 1: All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The Company classifies all standard advances and advances up to 0-30 days default under this category. Stage 1 loans also include loan assets where the credit risk has improved and the loan has been reclassified from Stage 2 or Stage 3.

b) Stage 2 : All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. Financial assets past due for 31-90 days are classified under this stage.

c) Stage 3 All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have been classified in this stage. Stage 3 (more than 90 days) includes loan assets that have credit-impaired financial assets at reporting date. Stage 3 is considered where "Contractual payments of principal and/or interest are past due for more than 90 days".

The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default, defined as follows:

Probability of Default (PD) - The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12 months PD), or over the remaining lifetime (Lifetime PD) of the obligation.

Loss Given Default (LGD) – LGD represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and preference of claim and availability of collateral or other credit support.

Exposure at Default (EAD) – EAD is based on the amounts the Company expects to be owed at the time of default. For a revolving commitment, the Company includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

During the financial year ended March 31, 2026, the Company revised its methodology for estimating Expected Credit Losses (ECL) on financial assets measured at amortised cost and at fair value through other comprehensive income. This change aligns the Company's credit risk assessment framework with evolving macroeconomic conditions and industry best practices.

Previously, the Company applied a simplified approach using historical loss rates adjusted for a single forward-looking information, ie, GDP. Effective April 01, 2025, the Company has transitioned to a more granular probability-of-default (PD), loss-given-default (LGD), and exposure-at-default (EAD) based model incorporating multiple forward-looking macroeconomic scenarios like, GDP growth, Percapita income, Inflation rate and Unemployment and updated segmentation of customer portfolios.

Write-offs

Financial assets are written off either partially or in their entirety to the extent that there is no realistic

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prospect of recovery. Any subsequent recoveries are credited to other income in statement of profit and loss.

ix. Provisions, contingent assets and contingent liabilities

Provisions are recognised only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

a) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or

b) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

x. Leases

Company as a lessee

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time, the lease term, in exchange for consideration. The Company assesses whether a contract is, or contains, a lease on inception. The lease term is either the non-cancellable period of the lease and any additional periods when there is an enforceable option to extend the lease and it is reasonably certain that the Company will extend the term, or a lease period in which it is reasonably certain that the Company will not exercise a right to terminate. The lease term is reassessed if there is a significant change in circumstances. The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the total lease payments due on the commencement date, discounted using either the interest rate implicit in the lease, if readily determinable, or more usually, an estimate of the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

a) fixed payments, including payments which are substantively fixed;

b) variable lease payments that depend on a rate, initially measured using the rate as at the commencement.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in a rate, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets As permitted by Ind AS 116, the Company does not recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. Payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

xi. Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. Subsequent measurement of financial assets and financial liabilities is described below.

Derivative financial instruments

The Company enters into derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks through cross currency interest rate swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

Hedge accounting

The Company designates certain hedging instruments, which include derivatives in respect of foreign currency risk, as cash flow hedge.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in "Statement of profit and loss".

Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in other equity is recognised immediately in statement of profit and loss.

Non-derivative financial assets

Subsequent measurement

i. **Financial assets carried at amortised cost** – a financial asset is measured at the amortised cost if both the following conditions are met:

   a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

   b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

   After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

ii. **Financial assets carried at fair value through other comprehensive income –** a financial asset is measured at fair value, with changes in fair value being carried to other comprehensive income, if both the following conditions are met:

   a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and

   b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

De-recognition of financial assets

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are derecognised (i.e. removed from the Company's balance sheet) when the contractual rights to receive the cash flows from the financial

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asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Company has not retained control, it shall also derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

Non-derivative financial liabilities

Other financial liabilities - Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities, except compulsorily convertible preference shares, are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

First loss default guarantee

First loss default guarantee contracts are contracts that require the Company to make specified payments to reimburse the bank and financial institution for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks and financial institutions, for whom the Company acts as 'Business Correspondent' or avails any facilities like Term Loans, Securitisation transactions etc. Financial guarantee contracts are initially recognised at fair value and subsequently measured at the higher of:

(i) the amount of loss allowance determined under expected credit loss principles; and

(ii) the amount initially recognised less cumulative amortisation, where appropriate.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

xii. Determination of fair value

The Company measures financial instruments, such as, investments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or

b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, if market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which enough data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs. The financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments – Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date.

Level 2 financial instruments – Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

Level 3 financial instruments – Those that include one or more unobservable input that is significant to the measurement as whole. Difference between transaction price and fair value at initial recognition The best evidence of the fair value of a financial instrument at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Company recognises the difference between the transaction price and the fair value in profit or loss on initial recognition (i.e. on day one).

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. No such instances of transfers between levels of the fair value hierarchy were recorded during the reporting period.

xiii. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

xiv. Earnings per share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares including the impact of employee stock options and shares held through the ESOP trust, where applicable to satisfy the exercise of the share options by the employees. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

xv. Foreign currency

Functional and presentation currency

Items included in the financial statement of the Company are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’).

Transactions and balances

Foreign currency transactions are translated into the functional currency, by applying the exchange rates on the foreign currency amounts at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at

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rates different from those at which they were initially recorded, are recognised in the Statement of Profit and Loss in the year in which they arise.

xvi. Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures. Actual results may differ from these estimates.

Significant management judgements

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

Business model assessment - The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Effective Interest Rate (EIR) method - The Company's EIR methodology, recognises interest income/expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given/taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges). This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Classification of leases – The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialised nature of the leased asset.

Expected credit loss ('ECL') – The measurement of expected credit loss allowance for financial assets requires use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. likelihood of customers defaulting and resulting losses). The Company makes significant judgements with regard to the following while assessing expected credit loss:

a) Determining criteria for significant increase in credit risk;

b) Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and

c) Establishing groups of similar financial assets for the purposes of measuring ECL.

Provisions – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Significant estimates

Useful lives of depreciable/amortisable assets – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

xvii. Implementation of Indian Accounting Standards by RBI

The RBI issued Circular DOR (NBFC).CC.PD. No.109/22.10.106/2019-20 dt. March 13, 2020, which require Non-Banking Financial Companies (NBFCs) covered by Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 to comply with the respective circular while preparing the financial statements from financial year 2019-20 onwards.

xviii. Recent Accounting Pronouncements

Ministry of Corporate Affairs ('MCA') notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the 2025-26, MCA notified amendments to:

Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 01, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures, applicable w.e.f. April 01, 2025 – the amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any impact in its financial statements.

Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately - The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. This relief is immediate and applies retrospectively. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

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2 CASH AND CASH EQUIVALENTS

	As at March 31, 2026	As at March 31, 2025
Cash in hand	26.26	26.93
Balances with banks in current account	6,145.97	6,114.20
Term deposits with residual maturity of 3 months or less with scheduled banks (refer note iii)	839.25	831.37
	7,011.48	**6,972.50**

(i) There are no repatriation restrictions with respect to cash and cash equivalents as at the end of the reporting year and prior years.

(ii) Short-term deposits are made for varying periods of between seven days and three months, depending on the immediate cash requirements of the Company, and to earn interest at the respective short-term deposit rates.

(iii) Short term deposits includes fixed deposits amounting to ₹ 20.65 million pertaining to the ESOP Trust consolidated with the Company. These deposits are free from any lien or restriction and are considered part of the Company's normal treasury balances.

(iv) The Company has not taken bank overdraft, therefore the cash and cash equivalents for statement of cash flows is same as for cash and cash equivalents.

3 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at March 31, 2026	As at March 31, 2025
Balances with banks in current account (Refer note (iv))	-	277.62
Term deposits with bank not considered in Cash and cash equivalents (Refer note (iii))	4,396.24	**4,447.60**
	4,396.24	**4,725.22**

(i) There are no repatriation restrictions with respect to bank balances other than cash and cash equivalents as at the end of the reporting year and prior years.

(ii) The Company earns a fixed rate of interest on these term deposits.

(iii) Term deposits amounting to ₹ 3,768.75 million (March 31, 2025: ₹ 3,961.24 million) are held as pledged against borrowings,Credit enhancement in securitisation transactions (cash collateral towards PTC transactions) and other commitments.

(iv) Balance with banks in current account represents restricted bank balance of ₹ Nil (March 31, 2025: ₹ 277.62 million) with a bank, in which proceeds from IPO have been received. The balance in this account after meeting IPO expenses had been allocated and paid to the Company and the Selling Shareholders proportionately during the year.

4 TRADE RECEIVABLES

	As at March 31, 2026	As at March 31, 2025
Receivables considered good- Secured	-	-
Receivables considered good- Unsecured	116.41	194.13
Receivables which have significant increase in credit risk	-	-
Receivables credit impaired	-	-
Unbilled Trade receivables	137.22	26.99
	253.63	**221.12**
Less: Allowance for Impairment loss	-	**-**
	253.63	**221.12**

Trade receivables primarily comprise amounts arising from commission and servicing activities and are generally short-term in nature. Based on the assessment carried out under the expected credit loss (ECL) model prescribed under Ind AS 109, the Company does not expect any material credit loss and accordingly, no provision for ECL has been recognised.

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4 TRADE RECEIVABLES (Contd.)

The Company has not granted any loans or advances in the nature of loans, to promoters, Directors, KMPs and related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, that are either repayable on demand or without specifying any terms or period of repayment during the year. Trade receivables are non-interest bearing and short term in nature, hence does not involve any significant interest risk.

Ageing of trade receivables as on March 31, 2026

Particulars	Outstanding from transaction date							
	Unbilled	Not due for Payment	Less than 6 months	6 months - 1 year	1-2 year	2-3 years	More than 3 years	Total
Undisputed Trade Receivables:-								
i) Considered good-Unsecured	137.22	-	113.63	2.78	-	-	-	253.63
ii) which have significant increase in credit risk	-	-	-	-	-	-	-	-
iii) credit impaired	-	-	-	-	-	-	-	-
Disputed Trade Receivable:-								
i) Considered good-Unsecured	-	-	-	-	-	-	-	-
ii) which have significant increase in credit risk	-	-	-	-	-	-	-	-
iii) credit impaired	-	-	-	-	-	-	-	-

Ageing of trade receivables as on March 31, 2025

Particulars	Outstanding from transaction date							
	Unbilled	Not due for Payment	Less than 6 months	6 months - 1 year	1-2 year	2-3 years	More than 3 years	Total
Undisputed Trade Receivables:-								
i) Considered good-Unsecured	26.99	-	143.53	50.60	-	-	-	221.12
ii) which have significant increase in credit risk	-	-	-	-	-	-	-	-
iii) credit impaired	-	-	-	-	-	-	-	-
Disputed Trade Receivable:-								
i) Considered good-Unsecured	-	-	-	-	-	-	-	-
ii) which have significant increase in credit risk	-	-	-	-	-	-	-	-
iii) credit impaired	-	-	-	-	-	-	-	-

5 OTHER RECEIVABLES

	As at March 31, 2026	As at March 31, 2025
Other Receivables considered good- Secured	-	-
Other Receivables considered good- Unsecured	356.51	488.24
Other Receivables which have significant increase in credit risk	-	-
Other Receivables credit impaired	138.42	77.93
	494.93	**566.17**
Less: Allowance for Impairement loss	138.42	**77.93**
	356.51	**488.24**

Notes Forming Part of Financial Statements

for the year ended March 31, 2026
(All amounts in ₹ millions, unless stated otherwise)

6 LOANS

	As at March 31, 2026	As at March 31, 2025
At amortised cost		
Term loans (refer note 6.1)	66,320.60	32,844.59
Employee loans (refer note 6.3)	0.09	0.24
	66,320.69	**32,844.83**
At fair value through other comprehensive income		
Term loans (refer note 6.2)	37,644.01	54,557.08
	37,644.01	**54,557.08**
	1,03,964.70	**87,401.91**

6.1 Term loans (at amortised cost)

	As at March 31, 2026	As at March 31, 2025
Term loans		
(i) Joint liability group loans	46,993.96	36,414.24
(ii) Individual loans	22,471.72	1,113.27
(iii) Corporate loans	101.99	94.63
Total (gross)	**69,567.67**	**37,622.14**
Less: Allowance for impairment loss for loan assets	3,247.07	4,777.55
Total (net)	**66,320.60**	**32,844.59**
Secured by tangible assets	600.26	822.64
Unsecured	68,967.41	36,799.50
Total (gross)	**69,567.67**	**37,622.14**
Less: Allowance for impairment loss for loan assets	3,247.07	4,777.55
Total (net)	**66,320.60**	**32,844.59**
Loans in India		
Public sector	-	-
Individuals	69,465.68	37,527.51
Corporate loans	101.99	94.63
Total (gross)	**69,567.67**	**37,622.14**
Less: Allowance for impairment loss for loan assets	3,247.07	4,777.55
Total (net)	**66,320.60**	**32,844.59**

6.2 Term loans (at fair value through other comprehensive income)

	As at March 31, 2026	As at March 31, 2025
Joint liability group loans	38,057.00	55,548.93
Individual Loans	560.00	-
Total (gross)	**38,617.00**	**55,548.93**
Less: Allowance for impairment loss for loan assets	972.99	991.85
Total (net)	**37,644.01**	**54,557.08**
Secured by tangible assets	-	-
Unsecured	38,617.00	55,548.93
Total (gross)	**38,617.00**	**55,548.93**
Less: Allowance for impairment loss for loan assets	972.99	991.85

Notes Forming Part of Financial Statements

for the year ended March 31, 2026
(All amounts in ₹ millions, unless stated otherwise)

6 LOANS (Contd.)

	As at March 31, 2026	As at March 31, 2025
Total (net)	**37,644.01**	**54,557.08**
Loans in India		
Public sector	-	-
Individuals	38,617.00	55,548.93
Total (gross)	**38,617.00**	**55,548.93**
Less: Allowance for impairment loss for loan assets	972.99	991.85
Total (net)	**37,644.01**	**54,557.08**

6.3 Employee loans (at amortised cost)

	As at March 31, 2026	As at March 31, 2025
Employee loans	0.09	0.24
Total (gross)	**0.09**	**0.24**
Less: Allowance for impairment loss for employee loans	-	-
Total (net)	**0.09**	**0.24**
(i) Key managerial personnel	-	-
(ii) Other employees Allowance for impairment loss for employee loans	0.09	0.24
Total (gross)	**0.09**	**0.24**
Less: Allowance for impairment loss for employee loans	-	-
Total (net)	**0.09**	**0.24**

(i) All loans given to employees are without any security of assets or guarantee.

(ii) Refer note 42 for loans pledged as security.

(iii) Refer note 45 for expected credit loss related disclosures on loan assets.

(iv) The Company has not granted any loans or advances in the nature of loans, to promoters, Directors, KMPs and related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, that are either repayable on demand or without specifying any terms or period of repayment during the year.

(v) Refer Note 55 (xxx) for Loans where fraud has been committed and reported for the year.

(vi) The Company has securitised certain term loans and managed servicing of such loan accounts. The carrying value of these assets have not been de-recognised in the books. Refer Note 49 for securitised term loans not derecognised in their entirety.

(vii) Secured Loans granted by the Company are secured or partly secured by one or a combination of equitable mortgage of property, Hypothecation of assets including Gold.

(viii) The above loan excludes microfinance loans assigned to a third party on direct assignment in accordance with RBI Guidelines which qualify for derecognisation as per Ind AS 109. The amounts given are of minimum retention retained in the books.

Notes Forming Part of Financial Statements

for the year ended March 31, 2026
(All amounts in ₹ millions, unless stated otherwise)

7 INVESTMENTS

	As at March 31, 2026	As at March 31, 2025
Investments at fair value through other comprehensive income		
- in Security Receipts (Refer note (i) below)		
281,059 units of ₹ 1,000 in Rare ARC 054 Trust	281.06	393.64
474,100 units of ₹ 1,000 in Paras-149 Trust	474.10	551.22
1,128,445 units of ₹ 1,000 in Paras-160 Trust	1,128.44	1,337.00
950,889 units of ₹ 1,000 in Paras-168 Trust	950.89	-
- in equity instruments - unquoted, fully paid-up		
45,000 equity shares of ₹ 10 each in The Thinking Machine Media Private Limited	0.45	0.45
- in Government Securities (Quoted) - (Refer note (ii) below)		
12,000,000 units of 7.26% Govt Stock 2033 ₹ 100 each	1,223.36	1,261.11
Total (gross)	**4,058.30**	**3,543.42**
Less: Allowance for impairment loss	-	-
Total (net)	**4,058.30**	**3,543.42**
Investments in India	4,058.30	3,543.42
Investments outside India	-	-
	4,058.30	**3,543.42**

(i) There is no impairment allowance for existing Investment in Security receipts (ARC) considering the performance of the underlying loans and the risk cover.

(ii) The Company has invested in Government Securities which are sovereign in nature. Hence, the Company has not provided for any impairment allowance on these investments.

8 OTHER FINANCIAL ASSETS (AT AMORTISED COST)

	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good unless stated otherwise		
(i) Security deposits (unsecured, considered good)	55.53	81.87
(ii) Employee advances	9.74	5.27
(iii) Excess interest spread on Securitisation	936.66	987.74
(iv) Income tax refund	949.69	0.11
Total (gross)	**1,951.62**	**1,074.99**
Less: Allowance for impairment loss	12.23	16.16
	1,939.39	**1,058.83**

9 CURRENT TAX ASSETS/(LIABILITY) (NET)

	As at March 31, 2026	As at March 31, 2025
Advance income tax including TDS (net of provision for taxation)	355.60	802.06
	355.60	**802.06**

Notes Forming Part of Financial Statements

for the year ended March 31, 2026
(All amounts in ₹ millions, unless stated otherwise)

10 PROPERTY, PLANT AND EQUIPMENT

	Computer and accessories	Furniture and fixtures	Office equipments	Vehicles	Electrical fittings	Lease Hold Improvements	Total
Gross block							
Balance as at March 31, 2024	**173.55**	**88.53**	**386.73**	**0.77**	**17.87**	**559.25**	**1,226.70**
Additions	41.39	17.43	26.84	-	8.13	115.61	209.40
Disposals	(0.09)	(0.59)	(7.96)	-	(0.32)	-	(8.96)
Balance as at March 31, 2025	**214.85**	**105.37**	**405.61**	**0.77**	**25.68**	**674.86**	**1,427.14**
Additions	31.05	6.37	26.31	-	2.67	32.01	98.41
Disposals	(0.09)	(1.93)	(13.72)	-	(0.12)	(16.66)	(32.52)
Balance as at March 31, 2026	**245.81**	**109.81**	**418.20**	**0.77**	**28.23**	**690.21**	**1,493.03**
Accumulated depreciation							
Balance as at March 31, 2024	**110.96**	**24.73**	**196.12**	**0.71**	**4.88**	**156.48**	**493.88**
Charge for the year	35.66	8.92	66.74	0.02	2.11	59.41	172.88
Reversal on disposal of assets	(0.02)	(0.26)	(6.84)	-	(0.23)	-	(7.35)
Balance as at March 31, 2025	**146.60**	**33.39**	**256.02**	**0.73**	**6.77**	**215.89**	**659.41**
Charge for the Year	35.12	9.98	48.69	-	2.68	67.79	164.26
Reversal on disposal of assets	(0.01)	(1.10)	(12.13)	-	(0.07)	(10.47)	(23.78)
Balance as at March 31, 2026	**181.71**	**42.27**	**292.58**	**0.73**	**9.38**	**273.21**	**799.90**
Net block							
Balance as at March 31, 2025	**68.25**	**71.98**	**149.59**	**0.04**	**18.91**	**458.97**	**767.73**
Balance as at March 31, 2026	**64.10**	**67.54**	**125.62**	**0.04**	**18.85**	**417.00**	**693.13**

11 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(i) Property, plant and equipment comprises owned and leased assets that do not meet the definition of investment property

	As at March 31, 2026	As at March 31, 2025
Property, plant and equipment owned	693.13	767.73
Right-of-use assets	1,295.08	1,456.84
	1,988.21	**2,224.57**

(ii) Carrying value of right of use of assets at the end of the reporting year

	As at March 31, 2026	As at March 31, 2025
Balance as at April 01, 2025	1,456.84	1410.87
Additions	150.71	314.00
Deletions	(96.12)	(76.99)
Deletion of Accumulated Depreciation	53.42	63.82
Depreciation charge for the year	(266.19)	(254.86)
Remeasurement adjustment	(3.58)	-
Balance as at March 31, 2026	**1,295.08**	**1,456.84**

Notes Forming Part of Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ millions, unless stated otherwise)

11 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Contd.)

(iii) Movement in lease liabilities

	As at March 31, 2026	As at March 31, 2025
Balance as at April 01, 2025	1,749.23	1,645.03
Additions	148.40	308.86
Deletions	(55.36)	(19.10)
Interest on lease liabilities	183.29	185.67
Payment of lease liabilities	(401.11)	(371.23)
Remeasurement adjustment	(24.92)	-
Balance as at March 31, 2026	**1,599.53**	**1,749.23**

(iv) Contractual maturities of lease liabilities on an undiscounted basis:

	As at March 31, 2026	As at March 31, 2025
Less than one year	1,970.82	399.28
One to five years	1,324.05	1,400.39
More than five years	481.43	685.17
Total undiscounted lease liabilities as at March 31, 2026	**3,776.30**	**2,484.84**
Current	380.92	379.04
Non Current	1,218.61	1,370.19
Lease liabilities included in the statement of financial position	**1,599.53**	**1,749.23**

(v) Amounts recognised in profit and loss

	As at March 31, 2026	As at March 31, 2025
Interest on lease liabilities (refer note 30)	183.29	185.67
Depreciation of right-of-use assets (refer note 35)	266.19	254.86
	449.48	**440.53**

(vi) Amounts recognised in the statement of cash flows

	As at March 31, 2026	As at March 31, 2025
Total cash outflow for leases	**401.11**	**371.23**

(vii) The effective interest rate for lease liabilities is 10.66% with maturity between 2026 and 2036.

12 INTANGIBLE ASSETS

	Software
Gross block	
Balance as at March 31, 2024	**6.46**
Additions	-
Disposals	(3.77)
Balance as at March 31, 2025	**2.69**
Additions	3.63
Disposals	-
Balance as at March 31, 2026	**6.32**

Notes Forming Part of Financial Statements

for the year ended March 31, 2026
(All amounts in ₹ millions, unless stated otherwise)

12 INTANGIBLE ASSETS (Contd.)

	Software
Accumulated depreciation	
Balance as at March 31, 2024	**3.60**
Charge for the year	0.64
Reversal on disposal of assets	(3.22)
Balance as at March 31, 2025	**1.02**
Charge for the Year	0.89
Reversal on disposal of assets	-
Balance as at March 31, 2026	**1.91**
Net block	
Balance as at March 31, 2025	**1.67**
Balance as at March 31, 2026	**4.41**

13 OTHER NON-FINANCIAL ASSETS

	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good unless stated otherwise		
Capital advances	13.22	6.72
Balance with government authorities	75.85	108.19
Prepaid expenses	122.38	74.77
Advance against expenses	0.84	2.80
	212.29	**192.48**

14 DERIVATIVE FINANCIAL INSTRUMENTS

		As at March 31, 2026	As at March 31, 2025
14.A	**Part I**		
	(i) Currency derivatives:		
	- Cross currency interest rate swaps		
	Notional amount	13,510.20	12,864.52
	Fair value - assets	-	-
	Fair value - liabilities	(1,826.45)	76.86
	Net Asset/(Liabilities)	**1,826.45**	(76.86)
	(ii) Other derivatives:	-	-
	Total derivative (i+ii)	**1,826.45**	(76.86)
14.B	**Part II**		
	Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:		
	(i) Cash flow hedging:		
	- Currency derivatives		
	Notional amount	13,510.20	12,864.52
	Fair value - assets	-	-
	Fair value - liabilities	(1,826.45)	76.86
	Net Asset/(Liabilities)	1,826.45	(76.86)

Notes Forming Part of Financial Statements

for the year ended March 31, 2026
(All amounts in ₹ millions, unless stated otherwise)

14 DERIVATIVE FINANCIAL INSTRUMENTS (Contd.)

	As at March 31, 2026	As at March 31, 2025
(ii) Undesignated derivatives		
- Currency derivatives	-	-
	-	-
Total derivative financial instruments (i+ii)	**1,826.45**	**(76.86)**

(i) The Company has a Board approved policy for entering into derivative transactions. Derivative transactions comprise of currency and interest rate swaps. The Company undertakes such transactions for hedging of foreign currency borrowings. The Asset Liability Management Committee periodically monitors and reviews the risk involved.

(ii) The Company raises foreign currency borrowings under its External Commercial Borrowing ("ECB") programme, which is governed by applicable RBI guidelines, including the requirement to hedge a minimum of 70% of ECB exposure (principal and coupon) for borrowings with an average maturity of less than five years. As a prudent risk management practice, the Company has fully hedged its ECB exposure for the entire tenure of the borrowings.

(iii) In managing its ECB exposure, the Company evaluates factors such as foreign exchange rates, borrowing tenure, and fully hedged borrowing costs, and enters into derivative contracts, including over-the-counter hedge instruments, to mitigate currency risk. Accordingly, the Company does not have any material foreign currency fluctuation risk relating to its ECB borrowings. Refer Note 45C.4 for details of hedging activities and derivatives.

15 TRADE PAYABLES

	As at March 31, 2026	As at March 31, 2025
Dues to micro enterprises and small enterprises (refer note (i) below)	0.21	-
Dues to creditors other than micro enterprises and small enterprises	197.29	190.25
	197.50	**190.25**

Ageing of trade payables as on March 31, 2026

Particulars	Outstanding for following periods from transaction date				
	Less than 1 year	1-2 year	2-3 years	More than 3 years	Total
Undisputed Trade Payables:-					
i) MSME	0.21	-	-	-	0.21
ii) others	191.61	4.26	0.97	0.45	197.29
Disputed Trade Payables:-					
i) MSME	-	-	-	-	-
ii) others	-	-	-	-	-

Ageing of trade payables as on March 31, 2025

Particulars	Outstanding from transaction date				
	Less than 1 year	1-2 year	2-3 years	More than 3 years	Total
Undisputed Trade Payables:-					
i) MSME	-	-	-	-	-
ii) others	187.25	1.27	1.38	0.35	190.25
Disputed Trade Payables:-					
i) MSME	-	-	-	-	-
ii) others	-	-	-	-	-

Notes Forming Part of Financial Statements

for the year ended March 31, 2026
(All amounts in ₹ millions, unless stated otherwise)

16 OTHER PAYABLES

	As at March 31, 2026	As at March 31, 2025
Dues to micro enterprises and small enterprises (refer note (i) below)	-	-
Dues to creditors other than micro enterprises and small enterprises	16.25	6.48
	16.25	**6.48**

(i) Under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") which came into force from October 02, 2006, certain disclosures are required to be made relating to micro and small enterprises. Based on and to the extent of information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), there have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments.The disclosure as required by section 22 of MSMED Act has been given below:

		As at March 31, 2026	As at March 31, 2025
i)	Principal amount remaining unpaid (but within due date as per the Micro, Small and Medium Enterprises Development Act, 2006)	0.21	-
ii)	Interest due thereon remaining unpaid	-	-
iii)	Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period.	-	0.56
iv)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
v)	Interest accrued and remaining unpaid	-	-
vi)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

17 DEBT SECURITIES

	As at March 31, 2026	As at March 31, 2025
Secured (at amortised cost)		
Redeemable non-convertible debentures - Secured and listed (refer note 41)	9,617.47	5,636.63
	9,617.47	**5,636.63**
Unsecured (at amortised cost)		
Commercial paper - Secured and unlisted (refer note 41)	808.63	-
	808.63	-
	10,426.10	**5,636.63**
Debt securities in india	9,764.79	4,937.99
Debt securities outside india	661.31	698.64
	10,426.10	**5,636.63**

Notes Forming Part of Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ millions, unless stated otherwise)

18 BORROWINGS (OTHER THAN DEBT SECURITIES)

	As at March 31, 2026	As at March 31, 2025
Borrowings carried at amortised cost		
Term loans (Secured)		
- From banks (refer note 41)	39,455.90	36,216.63
- From financial institutions (including NBFCs) (refer note 41)	10,221.39	12,662.82
- Borrowings under securitisation arrangement (refer note 41)	19,581.30	11,363.43
- From financial institutions in Foreign Currency (ECB) (refer note 41)	13,946.55	11,918.92
Term loans (Unsecured)		
- From financial institutions in Foreign Currency (ECB) (refer note 41)	1,423.13	1,280.50
- From financial institutions (including NBFCs) (refer note 41)	418.58	185.28
	85,046.85	**73,627.58**
Borrowings in India	71,100.30	61,708.66
Borrowings outside India	13,946.55	11,918.92
	85,046.85	**73,627.58**

(i) Borrowings under securitisation arrangements represents securities issued by the special purpose vehicles ('SPVs') to the investors pursuant to the securitisation arrangement. Since such arrangements do not fulfil the derecognition criteria under Ind AS 109, the Company has recognised the associated liabilities with corresponding loans. Refer Note 49 for securitised term loans not derecognised in their entirety.

(ii) Borrowings under securitisation arrangements are shown at net outstanding amount (Net of investment in Pass Through Certificates) of the proceeds received by the Company from the Trust.

(iii) The Company holds derivative instrument i.e. Interest rate cross currency swap to mitigate the risk of change in interest rates and exchange rates on foreign currency exposure. The tenure of ECBs and derivative Instruments are same and hence are treated as perfectly hedged.

19 OTHER FINANCIAL LIABILITIES

	As at March 31, 2026	As at March 31, 2025
Employee related payable	224.24	231.75
Payables towards securitisation/assignment transactions	331.38	172.35
Financial guarantee liability	45.42	62.10
Others*	156.43	291.70
	757.47	**757.90**

*Other liabilities majorly includes unapplied receipts, FLDG received from third-party product vendors and insurance settlement amount.

20 DEFERRED TAX ASSETS/(LIABILITIES) (NET)

	As at March 31, 2026	As at March 31, 2025
Tax effect of items constituting deferred tax liability:		
Direct assignment transactions	(232.66)	(244.53)
EIR adjustment for borrowing cost	(127.39)	(87.61)
Change in Fair Value of Investments	7.74	(1.76)
Remeasurement of financial assets carried at fair value through OCI	(718.55)	(676.09)

Notes Forming Part of Financial Statements

for the year ended March 31, 2026
(All amounts in ₹ millions, unless stated otherwise)

20 DEFERRED TAX ASSETS/(LIABILITIES) (NET) (Contd.)

	As at March 31, 2026	As at March 31, 2025
Tax effect of items constituting deferred tax asset:		
Provision for expected credit loss	1049.43	1,422.87
EIR adjustment for loan assets	236.41	181.70
Fair Value change on Derivatives designated as Cashflow Hedge	(9.21)	107.32
Adjustment of Ind AS 116	82.74	80.86
Remeasurement of gain/(loss) on defined benefit plan (net)	37.07	33.35
Others	155.26	122.08
	480.84	**938.19**

Movement in above mentioned deferred tax assets/(liabilities)

Particulars	As at April 01, 2024	Recognised in statement of profit and loss	Recognised in other comprehensive income	As at March 31, 2025	Recognised in statement of profit and loss	Recognised in other comprehensive income	As at March 31, 2026
Tax effect of items constituting deferred tax assets/(liabilities)							
Provision for expected credit loss	472.79	950.08	-	1,422.87	(373.44)	-	1,049.43
EIR adjustment for loan assets	204.10	(22.40)	-	181.70	54.71	-	236.41
Remeasurement of financial assets carried at fair value through OCI	(497.81)	-	(178.28)	(676.09)	-	(42.46)	(718.55)
Direct assignment transactions	(336.37)	91.84	-	(244.53)	11.87	-	(232.66)
EIR adjustment for borrowing cost	(101.44)	13.83		(87.61)	(39.78)		(127.39)
Fair Value change on Derivatives designated as Cashflow Hedge	-	-	107.32	107.32	-	(116.53)	(9.21)
Adjustment of Ind AS 116	66.12	14.74	-	80.86	1.88	-	82.74
Change in Fair Value of Investments	-	-	(1.76)	(1.76)	-	9.50	7.74
Remeasurement of gain/(loss) on defined benefit plan (net)	30.11	-	3.24	33.35	-	3.72	37.07
Others	69.45	52.63	-	122.08	33.18	-	155.26
	(93.04)	**1,100.71**	**(69.48)**	**938.19**	**(311.58)**	**(145.77)**	**480.84**

Deferred Tax has been recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statement and the corresponding tax bases used in the computation of taxable profit.

21 PROVISIONS

	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits (funded)		
Gratuity (refer note 39)	111.54	93.76
Compensated absences (refer note 39)	46.29	18.00
	157.83	**111.76**

Notes Forming Part of Financial Statements

for the year ended March 31, 2026
(All amounts in ₹ millions, unless stated otherwise)

22 OTHER NON-FINANCIAL LIABILITIES

	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits (funded)	102.95	84.50
Compensated absences (refer note 39)	0.45	6.75
	103.40	**91.25**

23 EQUITY SHARE CAPITAL

	As at March 31, 2026	As at March 31, 2025
Authorised share capital		
200,000,000 Equity shares of ₹ 10 each (March 31, 2025: 200,000,000)	2,000.00	2,000.00
50,000,000 Compulsorily convertible preference shares of ₹ 10 each (March 31, 2025: 50,000,000)	500.00	500.00
	2,500.00	**2,500.00**
Issued, subscribed and fully paid up share capital (A)		
170,492,176 Equity shares of ₹ 10 each (March 31, 2025: 170,492,176)	1,704.92	1,704.92
Nil Compulsorily Convertible Preference Shares of ₹ 10 each (March 31, 2025: Nil)	-	-
	1,704.92	**1,704.92**
Treasury shares held through ESOP trust (B)		
2,725,499 Equity shares of ₹ 10 each (March 31, 2025: 2,894,636)	(27.25)	(28.95)
Equity shares [net of treasury shares] [A + B]	**1,677.67**	**1,675.97**

Treasury shares

Treasury shares represents Company's own equity shares held by MML Employee Welfare Trust for implementing Employee Stock Option Plan of the Company. The Company treats ESOP trust as its extension and the Treasury shares are presented as a deduction from total equity.

(i) Rights, preferences and restrictions attached to equity shares:

The Company has equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors in any financial year is subject to the approval of the shareholders in the ensuing annual general meeting, except interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) Reconciliation of equity shares outstanding at the beginning and at the end of the year

	As at March 31, 2026		As at March 31, 2025	
	No. of shares	Amount	No. of shares	Amount
Equity share capital of ₹ 10 each fully paid up				
Balance at the beginning of the year	17,04,92,176	1,704.92	17,04,92,176	1,704.92
Add: Issued during the year	-	-	-	-
Balance at the end of the year	**17,04,92,176**	**1,704.92**	**17,04,92,176**	**1,704.92**

Notes Forming Part of Financial Statements

for the year ended March 31, 2026
(All amounts in ₹ millions, unless stated otherwise)

23 EQUITY SHARE CAPITAL (Contd.)

(iii) Reconciliation of treasury shares outstanding at the beginning and at the end of the year

	As at March 31, 2026		As at March 31, 2025	
	No. of shares	Amount	No. of shares	Amount
Equity share capital of ₹ 10 each fully paid up				
Balance at the beginning of the year	28,94,636	28.95	32,24,761	32.25
Add: Issued during the year	-	-	-	-
Less: Equity shares transferred upon exercise of options under employee share option plan	(1,69,137)	(1.70)	(3,30,125)	(3.30)
Balance at the end of the year	**27,25,499**	**27.25**	**28,94,636**	**28.95**

The Company has implemented Employee Stock Option Plan under Muthoot Microfin Employee Stock Option Plan 2016 ("ESOP 2016") and Muthoot Microfin Limited Employee Stock Option Plan 2022 ("ESOP 2022"). The Trust is consolidated in the financial statements of the Company. Refer note 47.

(iv) Shares held by the holding Company

	As at March 31, 2026		As at March 31, 2025	
	No. of shares	% holding	No. of shares	% holding
Muthoot Fincorp Limited	8,55,95,744	50.21%	8,55,95,744	50.21%

(v) Shareholders holding more than 5% of shares of the Company as at balance sheet date:

Equity shares of ₹ 10 each

	As at March 31, 2026		As at March 31, 2025	
	No. of shares	% holding	No. of shares	% holding
Muthoot Fincorp Limited	8,55,95,744	50.21%	8,55,95,744	50.21%
Creation Investments India LLC	1,30,06,778	7.63%	1,30,06,778	7.63%
Greater Pacific Capital WIV Ltd.	2,58,02,609	15.13%	2,58,02,609	15.13%

(vi) Shareholding of promoters as at March 31, 2026

	No. of shares	% of Total Shares	% Change during the Year
Muthoot Fincorp Ltd	8,55,95,744	50.21%	0.00%
Thomas John Muthoot	29,82,456	1.75%	0.00%
Thomas George Muthoot	29,81,749	1.75%	0.00%
Thomas Muthoot	29,93,935	1.76%	0.00%
Preethi John	3,996	0.00%	0.00%
Nina George	3,989	0.00%	0.00%
Remmy Thomas	3,963	0.00%	0.00%
	9,45,65,832	**55.47%**	**0.00%**

Notes Forming Part of Financial Statements

for the year ended March 31, 2026
(All amounts in ₹ millions, unless stated otherwise)

23 EQUITY SHARE CAPITAL (Contd.)

Shareholding of promoters as at March 31, 2025

	No. of shares	% of Total Shares	% Change during the Year
Muthoot Fincorp Ltd	8,55,95,744	50.21%	0.00%
Thomas John Muthoot	29,82,456	1.75%	0.00%
Thomas George Muthoot	29,81,749	1.75%	0.00%
Thomas Muthoot	29,93,935	1.76%	0.00%
Preethi John	3,996	0.00%	0.00%
Nina George	3,989	0.00%	0.00%
Remmy Thomas	3,963	0.00%	0.00%
	9,45,65,832	**55.47%**	**0.00%**

(vii) The Company has neither issued any bonus shares nor has there been any buy-back of shares in the current year and five years immediately preceding the balance sheet date.

24 OTHER EQUITY*

	As at March 31, 2026	As at March 31, 2025
Securities premium	16,057.36	16,001.64
Reserve fund u/s 45-IC of RBI Act 1934	2,360.20	2,019.67
Employee stock options outstanding	198.94	179.15
Loan assets through other comprehensive income	2,136.47	2,010.24
Fair value through other comprehensive income	(23.01)	5.24
Retained earnings	6,079.85	4,728.77
General reserve	28.25	20.68
Effective portion of Cashflow hedge	27.39	(319.09)
	26,865.45	**24,646.30**

*For detailed movement of reserves refer statement of changes in equity for the year ended March 31, 2026 and year ended March 31, 2025.

Nature and purpose of reserves

Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Reserve fund u/s 45-IC of RBI Act 1934

The Company creates a reserve fund in accordance with the provisions of section 45-IC of the Reserve Bank of India Act, 1934 and transfers therein an amount equal to/more than twenty per cent of its net profit of the year, before declaration of dividend. Accordingly, during the period ended March 31, 2026, the Company has transferred an amount of ₹ 340.53 million (March 31, 2025: Nil).

Employee stock options outstanding

The account is used to recognise the grant date value of options issued to employees under Employee stock option plan and adjusted as and when such options are exercised or otherwise expire.

Notes Forming Part of Financial Statements

for the year ended March 31, 2026
(All amounts in ₹ millions, unless stated otherwise)

24 OTHER EQUITY* (Contd.)

Loan assets through other comprehensive income

The Company recognises changes in the fair value of loan assets held with business objective of collect and sell in other comprehensive income. These changes are accumulated within the FVOCI debt investments reserve within equity. The Company transfers amounts from this reserve to the statement of profit and loss when the loan assets are sold. Any impairment loss on such loans are reclassified immediately to the statement of profit and loss.

Retained earnings

All the profits or losses made by the Company are transferred to retained earnings from statement of profit and loss.

General reserve

Represents the profits or losses made by the employee welfare trust on account of issue or sale of treasury stock.

Effective portion of Cashflow hedge

The amount refers to changes in the fair value of derivative financial Contracts which are designated as effective Cash flow Hedge.

25 INTEREST INCOME

	For the Year Ended March 31, 2026	For the Year Ended March 31, 2025
On financial assets measured at amortised cost		
Interest on loan assets	15,819.77	16,326.14
Interest income on deposits from banks	312.76	383.56
	16,132.53	**16,709.70**
On financial assets measured at fair value through other comprehensive income		
Interest on loan assets	5,257.24	6,985.09
	5,257.24	**6,985.09**
	21,389.77	**23,694.79**

26 FEES AND COMMISSION INCOME

	For the Year Ended March 31, 2026	For the Year Ended March 31, 2025
Fee income recognised over a certain period of time (refer note 50)	21.27	233.41
Fee income that are recognised at point in time (refer note 50)	927.45	739.63
	948.72	**973.04**

27 NET GAIN ON FAIR VALUE CHANGES

	For the Year Ended March 31, 2026	For the Year Ended March 31, 2025
Gain on sale of loans assets recognised through Profit & Loss account	1,133.33	695.26
Fair value changes		
Realised	1,133.33	695.26
Unrealised	-	-
	1,133.33	**695.26**

Notes Forming Part of Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ millions, unless stated otherwise)

28 INCOME FROM INVESTMENTS

	For the Year Ended March 31, 2026	For the Year Ended March 31, 2025
Income from investments	193.16	236.84
	193.16	**236.84**
Realised	193.16	236.84
Unrealised	-	-
	193.16	**236.84**

29 OTHER INCOME

	For the Year Ended March 31, 2026	For the Year Ended March 31, 2025
Interest income on security deposits	5.36	4.78
Gain on termination/modification of lease	35.54	5.94
Interest on Income tax refund	49.50	7.71
Miscellaneous income	20.89	10.35
	111.29	**28.79**

30 FINANCE COSTS

	For the Year Ended March 31, 2026	For the Year Ended March 31, 2025
On financial liabilities measured at amortised cost		
Interest on borrowings other than debt securities	7,929.82	8,208.93
Interest on debt securities	631.53	906.45
Interest cost on lease liabilities (refer note 11)	183.29	185.67
	8,744.64	**9,301.05**

31 FEES AND COMMISSION EXPENSES

	For the Year Ended March 31, 2026	For the Year Ended March 31, 2025
Fees and commission expenses	220.14	253.62
	220.14	**253.62**

32 NET LOSS ON DERECOGNITION OF FINANCIAL INSTRUMENT UNDER AMORTISED COST CATEGORY

	For the Year Ended March 31, 2026	For the Year Ended March 31, 2025
Net Loss on derecognition of financial instrument under amortised cost	73.59	1,142.17
	73.59	**1,142.17**

33 IMPAIRMENT ON FINANCIAL INSTRUMENTS

	For the Year Ended March 31, 2026	For the Year Ended March 31, 2025
Loans		
Write off	3,081.16	3,180.94
Waive off	354.85	924.35
Provision for impairment on loan assets	1,009.72	6,204.86
Bad debt recovered	(127.35)	(126.68)

Notes Forming Part of Financial Statements

for the year ended March 31, 2026
(All amounts in ₹ millions, unless stated otherwise)

33 IMPAIRMENT ON FINANCIAL INSTRUMENTS (Contd.)

	For the Year Ended March 31, 2026	For the Year Ended March 31, 2025
Others		
Write off	34.84	139.48
Provision for other receivables (Refer note 5)	60.49	33.93
Provision for Excess Interest Spread (Refer note 8)	(3.93)	4.26
Financial Guarantee expenses (Refer note 19)	(16.68)	62.10
	4,393.10	**10,423.24**

34 EMPLOYEE BENEFITS EXPENSE

	For the Year Ended March 31, 2026	For the Year Ended March 31, 2025
Salaries and wages	5,380.36	4,735.15
Contribution to provident and other funds	423.36	396.33
Share based payments (Refer note 47)	28.45	52.92
Gratuity and compensated absence (Refer note 39)	83.24	63.64
Staff welfare expenses	119.69	91.03
	6,035.10	**5,339.07**

On November 21, 2025, the Government of India has notified the four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020, consolidating 29 existing labour laws. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations. The Company has assessed the impact of these changes to the extent applicable and in the opinion of the management, no incremental provision is required to be created during the quarter ended March 31, 2026. The Company will continue to monitor the finalisation of Central/State Rules and clarifications from the Government on other aspects of the Labour Code and would provide appropriate accounting effect on the basis of such developments as needed.

35 DEPRECIATION AND AMORTISATION EXPENSES

	For the Year Ended March 31, 2026	For the Year Ended March 31, 2025
Depreciation on property, plant and equipment (refer note 10)	164.26	172.87
Depreciation on right-of-use assets (refer note 11)	266.19	254.86
Amortisation on intangible assets (refer note 12)	0.89	0.64
	431.34	**428.37**

36 OTHER EXPENSES

	For the Year Ended March 31, 2026	For the Year Ended March 31, 2025
Rent	85.22	72.11
Rates and taxes	9.01	8.88
Repairs and maintenance - others	14.53	12.72
Communication expenses	137.66	162.53
Printing and stationery	18.20	20.27
Marketing expenses	47.44	49.36
Auditors' remuneration		
Statutory audit	4.91	4.91

Notes Forming Part of Financial Statements

for the year ended March 31, 2026
(All amounts in ₹ millions, unless stated otherwise)

36 OTHER EXPENSES (Contd.)

	For the Year Ended March 31, 2026	For the Year Ended March 31, 2025
Limited review	2.94	2.65
Tax audit	1.31	0.65
Other certifications	1.85	1.27
Reimbursement of expenses	0.55	0.58
Legal and professional charges	385.97	342.09
Traveling and conveyance	634.04	568.87
Software support charges	220.78	139.09
Power and fuel	47.83	49.59
Office expenses	79.90	63.47
Corporate social responsibility expenses (Refer note 36.1)	33.77	57.31
Loss on sale of fixed assets	6.03	1.32
Miscellaneous expenses	88.02	89.57
	1,819.96	**1,647.24**

36.1 Corporate social responsibility expenses

		For the Year Ended March 31, 2026	For the Year Ended March 31, 2025
(a)	Gross amount required to be spent by the Company during the year	33.77	57.31
(b)	Excess amount spent in previous financial year carried forward	-	-
(c)	Net amount required to be spent by the Company during the year	33.77	57.31
(d)	Amount spent during the year on :		
	(i) Construction/acquisition of any asset	-	-
	(ii) On purpose other than (i) above	33.77	31.50
(e)	Excess/(shortfall) at the end of the year (d-c)	0.00	(25.81)
(f)	Total of previous years excess/(shortfall)	(25.81)	(25.81)
(g)	Reason for shortfall	Refer note (i)	Refer note (i)
(h)	Nature of CSR activities	Refer note (ii)	Refer note (ii)
(i)	Details of related party transaction (refer note 40)	32.30	31.48

(j) Where a provision is made with respect to a liability incurred by entering a contractual obligation -

	As at March 31, 2026	As at March 31, 2025
Opening balance of the provision	**25.81**	**-**
Provision created during the year	33.77	57.31
Amount spent during the year	33.77	31.50
Closing provision balance	**25.81**	**25.81**

(i) During the year ended March 31, 2025, the Company contributed towards the ongoing projects which remained unspent as on March 31, 2025 resulting in shortfall. The unspent amount was transferred to a separate Bank account on April 25, 2025, which remains unspent as on March 31, 2026.

(ii) CSR programs of the Company is bound by the theme HEEL: Health, Education, Environment, and Livelihood.

Notes Forming Part of Financial Statements

for the year ended March 31, 2026
(All amounts in ₹ millions, unless stated otherwise)

36 OTHER EXPENSES (Contd.)

(iii) Section 198(4)(a) allows usual working charges to be deducted while computing the net profits for the purpose of section 198. The usual working charges can be interpreted as the expenditure incurred by the Company in the ordinary course of the business. Being an NBFC, the Company provides loans to various customers with or without collaterals. Given the fact that the Company is into the lending business, any credit losses incurred by the Company could be construed and 'usual working charges' i.e. credit losses are integral part of the lending business and should not be considered as capital in nature. Accordingly, Expected Credit Loss (ECL) provision has been treated as an allowable expenditure for the purpose of calculation of profits under section 198 of the Companies Act, 2013 for Corporate Social Responsibility.

37 EARNINGS PER SHARE (BASIC AND DILUTED)

	For the Year Ended March 31, 2026	For the Year Ended March 31, 2025
Net profit for the year	**1,702.67**	**(2,225.23)**
Weighted-average number of equity shares for basic EPS	167.62	167.50
Weighted-average number of equity shares adjusted for the effect of dilution	167.75	170.39
Par value per share	10.00	10.00
Earnings per share - Basic	**10.16**	**(13.29)**
Earnings per share - Diluted	**10.15**	**(13.07)**

38 TAX EXPENSE

	For the Year Ended March 31, 2026	For the Year Ended March 31, 2025
Current tax expense		
Current tax for the year	148.48	468.41
Earlier year tax	(73.63)	(31.51)
Total	**74.85**	**436.90**
Deferred taxes liabilities/(assets)		
Relating to origination and reversal of temporary differences	311.58	(1,100.71)
Net deferred tax expense	**311.58**	**(1,100.71)**
Total Income Tax Expense	**386.43**	**(663.81)**

The reconciliation of estimated income tax expense at statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:

	For the Year Ended March 31, 2026	For the Year Ended March 31, 2025
Profit before tax	**2,089.10**	**(2,889.04)**
Statutory income tax rate	25.168%	25.168%
Expected income tax expense	**525.78**	**(727.11)**
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Tax on expense not eligible for deduction (CSR expenditure)	8.50	14.42
Tax benefit on Chapter VIA deduction u/s 80JJAA	(92.28)	(85.88)
Deferred tax liability relating to earlier years	18.06	166.28
Others	(73.63)	(31.51)
Total income tax expense	**386.43**	**(663.81)**

Notes Forming Part of Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ millions, unless stated otherwise)

39 EMPLOYEE BENEFIT OBLIGATIONS

The Company operates the following post employment plans -

i. Defined contribution plan

The Company makes contributions, determined as specific percentage of employee salaries, in respect of qualified employees towards provident fund and other fundswhich are defined contribution plans. The Company has no obligation other than this to make the specified contribution. The contribution is charged to Statement of Profit and Loss as they accrue.

	As at March 31, 2026	As at March 31, 2025
Contribution to provident fund	347.26	318.50
Contribution to employee state insurance	73.92	75.94
Contribution to labour welfare fund	2.18	1.89

ii. Defined benefit plans

	As at March 31, 2026	As at March 31, 2025
Gratuity	111.54	93.76
Compensated absence	46.29	18.00

A. Gratuity

(i) The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employee's last drawn basic salary per month computed proportionately for 15 days multiplied by the number of years of service.

(ii) Amount recognised in the statement of profit and loss

	As at March 31, 2026	As at March 31, 2025
Current service cost	48.80	43.69
Interest cost (net)	6.14	7.19
Amount recognised in the statement of profit and loss	**54.94**	**50.88**

(iii) Movement in the present value of defined benefit obligation recognised in the balance sheet

	As at March 31, 2026	As at March 31, 2025
Present value of defined benefit obligation as at the beginning of the year	**269.82**	**230.77**
Current service cost	48.80	43.69
Interest cost	17.67	16.57
Benefits paid	(31.07)	(38.90)
Actuarial loss/(gain)	9.05	17.69
Present value of defined benefit obligation as at the end of the year	**314.27**	**269.82**

Notes Forming Part of Financial Statements

for the year ended March 31, 2026
(All amounts in ₹ millions, unless stated otherwise)

39 EMPLOYEE BENEFIT OBLIGATIONS (Contd.)

(iv) Movement in the plan assets recognised in the balance sheet

	As at March 31, 2026	As at March 31, 2025
Fair value of plan assets at the beginning of the year	**176.06**	**130.73**
Expected return on plan assets	11.53	9.38
Contributions by employer	51.94	70.05
Benefits paid	(31.07)	(38.90)
Actuarial (loss)/gain	(5.73)	4.80
Fair value of plan assets at the end of the year	**202.73**	**176.06**

(v) Reconciliation of present value of defined benefit obligation and the fair value of assets:

	As at March 31, 2026	As at March 31, 2025
Present value of funded obligation as at the end of the year	314.27	269.82
Fair value of plan assets as at the end of the Year funded status	(202.73)	(176.06)
Funded net liability recognised in balance sheet	**111.54**	**93.76**

(vi) Actuarial (gain)/loss recognised in other comprehensive income:

	As at March 31, 2026	As at March 31, 2025
Actuarial (gain)/loss on assets	**5.73**	**(4.80)**
Actuarial (gain)/loss on liabilities		
Actuarial (gain)/loss from change in demographic assumption	(5.13)	(3.07)
Actuarial (gain)/loss from change in financial assumption	(8.15)	(7.53)
Actuarial (gain)/loss from experience adjustment	22.33	28.29
Total Actuarial (gain)/loss on liabilities	**9.05**	**17.69**
Total actuarial (gain)/loss	**14.78**	**12.89**

(vii) Actuarial assumptions used for determination of the liability of the Company:

	As at March 31, 2026	As at March 31, 2025
Discount rate	6.80%	6.55%
Rate of increase in compensation levels	5.49%	6.13%
Attrition rate		
Field employees	47.76%	42.69%
Other than field employees	17.98%	20.50%
Retirement age	60 years	60 years
Expected average remaining working lives of employees (in years)	31.68	32.44

Notes to actuarial assumptions:

(a) Gratuity is payable to the employees on death or resignation or on retirement at the attainment of superannuation age.

(b) These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

(c) The discount rate is based on the prevailing market yield of Government of India bonds as at the balance sheet date for the estimated terms of obligations.

Notes Forming Part of Financial Statements

for the year ended March 31, 2026
(All amounts in ₹ millions, unless stated otherwise)

39 EMPLOYEE BENEFIT OBLIGATIONS (Contd.)

(d) The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

(viii) Sensitivity analysis for gratuity liability

	As at March 31, 2026	**As at March 31, 2025**
Present value of obligation at the end of the year	**314.27**	**269.82**
a) Impact of change in discount rate		
- Impact due to increase of 0.50%	(4.95)	(4.00)
- Impact due to decrease of 0.50%	5.17	4.16
b) Impact of change in salary increase		
- Impact due to increase of 1%	9.62	7.74
- Impact due to decrease of 1%	(9.11)	(7.37)
c) Impact of change in attrition rate		
- Impact due to increase of 5%	(3.47)	(4.86)
- Impact due to decrease of 5%	2.02	4.87

The above sensitivity analysis is based on a change an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous year.

(ix) Maturity profile of defined benefit obligation

	As at March 31, 2026	**As at March 31, 2025**
Within next 12 months	72.66	62.88
Between 1-5 years	181.40	159.73
Beyond 5 years	156.72	119.16
	410.77	**341.77**

(x) Category of plan assets

	As at March 31, 2026	**As at March 31, 2025**
Fund managed by insurer	**202.73**	**176.06**

(xi) The Company expects to contribute ₹ 72.85 million (previous year ₹ 64.04 million) to its gratuity plan for the next year.

B. Compensated absence

(i) The Company provides encashment of compensated absence based on the approved Company policy. Employees whose service is permanent will be eligible for privilege of compensated absence on calendar year basis, and it is mandatory that a minimum of 5 leaves need to be taken in an year.

Notes Forming Part of Financial Statements

for the year ended March 31, 2026
(All amounts in ₹ millions, unless stated otherwise)

39 EMPLOYEE BENEFIT OBLIGATIONS (Contd.)

(ii) Amount recognised in the statement of profit and loss

	As at March 31, 2026	As at March 31, 2025
Current service cost	16.86	18.69
Interest cost (net)	1.18	0.73
Actuarial (gain)/loss recognised during the year	10.25	(6.66)
Amount recognised in total comprehensive income	**28.29**	**12.77**

(iii) Movement in the present value of defined benefit obligation recognised in the balance sheet

	As at March 31, 2026	As at March 31, 2025
Present value of defined benefit obligation as at the beginning of the year	**85.51**	**69.92**
Current service cost	16.86	18.69
Interest cost	5.60	5.03
Benefits paid	(8.61)	(4.21)
Actuarial (gain)/loss	7.44	(3.92)
Present value of defined benefit obligation as at the end of the year	**106.80**	**85.51**

(iv) Movement in the plan assets recognised in the balance sheet

	As at March 31, 2026	As at March 31, 2025
Fair value of plan assets at the beginning of the year	**67.51**	**59.87**
Expected return on plan assets	4.42	4.30
Contributions by employer	-	4.81
Benefits paid	(8.61)	(4.21)
Actuarial gain/(loss)	(2.81)	2.74
Fair value of plan assets at the end of the year	**60.51**	**67.51**

(v) Reconciliation of present value of defined benefit obligation and the fair value of assets:

	As at March 31, 2026	As at March 31, 2025
Present value of funded obligation as at the end of the year	106.80	85.51
Fair value of plan assets as at the end of the Year funded status	(60.51)	(67.51)
Funded net liability recognised in balance sheet	**46.29**	**18.00**

(vi) Actuarial (gain)/loss recognised in the statement of profit and loss

	As at March 31, 2026	As at March 31, 2025
Actuarial (gain)/loss on assets	**2.81**	**(2.74)**
Actuarial (gain)/loss on liabilities		
Actuarial (gain)/loss from change in demographic assumption	0.27	(0.62)
Actuarial (gain)/loss from change in financial assumption	(1.59)	(1.43)
Actuarial (gain)/loss from experience adjustment	8.76	(1.87)
Total Actuarial (gain)/loss on liabilities	**7.44**	**(3.92)**
Total actuarial (gain)/loss	**10.25**	**(6.66)**

Notes Forming Part of Financial Statements

for the year ended March 31, 2026
(All amounts in ₹ millions, unless stated otherwise)

39 EMPLOYEE BENEFIT OBLIGATIONS (Contd.)

(vii) Actuarial assumptions used for determination of the liability of the Company:

	As at March 31, 2026	As at March 31, 2025
Discount rate	6.80%	6.55%
Rate of increase in compensation levels	5.49%	6.13%
Attrition rate		
Field employees	47.76%	42.69%
Other than field employees	17.98%	20.50%
Retirement age	60 years	60 years
Expected average remaining working lives of employees (in years)	30.93	31.53

Notes to actuarial assumptions:

(a) Encashment of compensated absence is payable to the employees on death or resignation or on retirement at the attainment of superannuation age, and it is not applicable on termination and unserved notice period of an employee.

(b) These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

(c) The discount rate is based on the prevailing market yield of Government of India bonds as at the balance sheet date for the estimated terms of obligations.

(d) The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

(viii) Sensitivity analysis for compensated absence liability

	As at March 31, 2026	As at March 31, 2025
Present value of obligation at the end of the year	**106.80**	**85.51**
a) Impact of change in discount rate		
- Impact due to increase of 0.50%	(0.88)	(0.68)
- Impact due to decrease of 0.50%	0.90	0.70
b) Impact of change in salary increase		
- Impact due to increase of 1%	1.82	1.40
- Impact due to decrease of 1%	(1.78)	(1.37)
c) Impact of change in attrition rate		
- Impact due to increase of 5%	(2.49)	(1.94)
- Impact due to decrease of 5%	3.02	2.33

The above sensitivity analysis is based on a change an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous year.

Notes Forming Part of Financial Statements

for the year ended March 31, 2026
(All amounts in ₹ millions, unless stated otherwise)

39 EMPLOYEE BENEFIT OBLIGATIONS (Contd.)

(ix) Maturity profile of defined benefit obligation

	As at March 31, 2026	As at March 31, 2025
Within next 12 months	48.14	38.71
Between 1-5 years	58.72	47.42
Beyond 5 years	10.93	7.33
Total	**117.79**	**93.46**

(x) Category of plan assets

	As at March 31, 2026	As at March 31, 2025
Fund managed by insurer	**60.51**	**67.51**

(xi) The Company expects to contribute ₹ 34.00 million (previous year ₹ 25.44 million) to its leave benefit plan for the next year.

40 RELATED PARTY DISCLOSURES AS REQUIRED UNDER INDIAN ACCOUNTING STANDARD 24, " RELATED PARTY DISCLOSURE" ARE GIVEN BELOW -

Names of related parties

Nature of relationship	Name of the party
Holding Company	Muthoot Fincorp Limited
Fellow subsidiary	Muthoot Pappachan Technologies Limited
	Muthoot Housing Finance Company Limited
Entities in which KMP are able to exercise control or have significant influence	Muthoot Exim Private Limited
	Muthoot Pappachan Foundation
	Muthoot Capital Services Limited
	The Thinking Machine Media Private Limited
	M-Liga Sports Excellence Private Limited
	Credavenue Private Limited
Key Management Personnel (KMP)	Thomas Muthoot, Non-Executive Director
	Thomas George Muthoot, Non-Executive Director
	Thomas Muthoot John, Executive Director (w.e.f December 19, 2024)
	Akshaya Prasad, Non-Executive Director
	John Tyler Day, Non-Executive Director
	Thai Salas Vijayan, Non-Executive Independent Director
	Alok Prasad, Non-Executive Independent Director
	Bhama Krishnamurthy, Non-Executive Independent Director
	Pushpy B Muricken, Non-Executive Independent Director
	Anil Sreedhar, Non-Executive Independent Director
	Anand Raghavan, Non-Executive Independent Director (upto December 02, 2024)
	Sadaf Sayeed, Chief Executive Officer
	Thoroppady Praveen, Chief Financial Officer
	Neethu Ajay, Chief Compliance Officer & Company Secretary
Other Related Parties	MML Employee Welfare Trust
	Thomas John Muthoot, Promoter (Non-Executive Director up to December 19, 2024)
	Hannah Muthoot, Relative of Director

Notes Forming Part of Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ millions, unless stated otherwise)

40 RELATED PARTY DISCLOSURES AS REQUIRED UNDER INDIAN ACCOUNTING STANDARD 24, " RELATED PARTY DISCLOSURE" ARE GIVEN BELOW (Contd.)

Transactions with related parties

Nature	Name of the party	Year ended March 31, 2026	Year ended March 31, 2025
Cash management charges & Commission expenses*	Muthoot Fincorp Limited	40.74	55.32
Commission income*	Muthoot Fincorp Limited	1.52	0.02
Commission income*	Muthoot Exim Private Limited	(3.09)	15.01
Software support charges*	Muthoot Pappachan Technologies Limited	10.46	12.07
Rent expenses*	Muthoot Fincorp Limited	1.57	1.85
Rent expenses*	Thomas Muthoot	3.47	3.27
Rent expenses*	Thomas George Muthoot	7.87	7.53
Rent expenses*	Thomas John Muthoot	1.96	1.89
Rental deposits given/(refunded)	Muthoot Fincorp Limited	0.06	(0.25)
CSR expenditure	Muthoot Pappachan Foundation	32.30	31.48
Travel expenses*	Muthoot Fincorp Limited	0.28	0.02
Trade mark Fees*	Thomas George Muthoot	0.03	0.03
Trade mark Fees*	Thomas John Muthoot	0.03	0.03
Trade mark Fees*	Thomas Muthoot	0.03	0.03
Sitting fees & Expense reimbursement*	Pushpy B Muricken	0.79	1.17
Sitting fees & Expense reimbursement*	Thai Salas Vijayan	0.83	1.14
Sitting fees & Expense reimbursement*	Alok Prasad	1.03	1.53
Sitting fees & Expense reimbursement*	Bhama Krishnamurthy	0.90	1.47
Sitting fees & Expense reimbursement*	Anand Raghavan	-	0.75
Sitting fees & Expense reimbursement*	Anil Sreedhar	0.69	0.23
Remuneration	Sadaf Sayeed	52.45	56.04
Remuneration	Thoroppady Praveen	16.84	13.42
Remuneration	Neethu Ajay	7.83	6.12
Remuneration	Thomas Muthoot John	9.15	2.42
Remuneration	Hannah Muthoot	3.15	0.43
Professional Charges	Credavenue Private Limited	-	8.27

*excluding taxes

Balance at the end of the year

Nature	Name of the party	(Payable)/ Receivable as at March 31, 2026	(Payable)/ Receivable as at March 31, 2025
Cash management charges and Commission payable	Muthoot Fincorp Limited	(3.07)	(4.13)
Trade receivable (commission income)	Muthoot Fincorp Limited	0.26	0.00
Trade payable (commission income)	Muthoot Exim Private Limited	-	(0.59)
Rent payable	Muthoot Fincorp Limited	(0.22)	(0.14)
Rent payable	Thomas Muthoot	(0.32)	(0.30)
Rent payable	Thomas George Muthoot	(0.74)	(0.69)
Rent payable	Thomas John Muthoot	(0.18)	(0.17)
Rental deposit	Muthoot Fincorp Limited	0.24	0.29
Rental deposit	Thomas Muthoot	0.18	0.18

Notes Forming Part of Financial Statements

for the year ended March 31, 2026
(All amounts in ₹ millions, unless stated otherwise)

40 RELATED PARTY DISCLOSURES AS REQUIRED UNDER INDIAN ACCOUNTING STANDARD 24, " RELATED PARTY DISCLOSURE" ARE GIVEN BELOW (Contd.)

Nature	Name of the party	(Payable)/ Receivable as at March 31, 2026	(Payable)/ Receivable as at March 31, 2025
Rental deposit	Thomas George Muthoot	0.10	0.10
Rental deposit	Thomas John Muthoot	0.08	0.08
Travel charges payable	Muthoot Fincorp Limited	-	0.00
Investment in equity instruments	The Thinking Machine Media Private Limited	0.45	0.45

Key management personnel remuneration includes the following expenses:

Nature	Year ended March 31, 2026	Year ended March 31, 2025
Short-term employee benefits (current)	88.75	78.02
Post-employment benefits	0.67	0.41
	89.42	**78.43**

41 DETAILS OF TERMS & CONDITIONS OF DEBT SECURITIES, BORROWINGS AND SUBORDINATED LIABILITIES

Debt Securities - Non-Convertible Debentures		Interest commencement month	Principal repayment month	Interest rate p.a	Nature of the security	Carrying value as at	
S No.	Repayment terms					March 31, 2026	March 31, 2025
1	Principal: Bullet repayment, Interest: Half-yearly, Put/call option on May 27, 2025	Nov-22	May-25	11.46%	Exclusive charge over book debts equivalent to 105%	-	394.73
2	Principal: Bullet repayment, Interest: Half-yearly, Put/call option on June 03, 2025	Dec-22	Jun-25	11.55%	Exclusive charge over book debts equivalent to 105%	-	1,161.74
3	Principal: Half-yearly, Interest: Quarterly	Sep-22	Dec'24, Jun'25 and Dec'25	9.90%	Exclusive charge over book debts equivalent to 100%	-	698.64
4	Principal: Half-yearly, Interest: Monthly, Put option on April 30, 2024	Feb-23	Jan'24, Jul'24, Jan'25, Jul'25, Jan'26	11.00%	Exclusive charge over book debts equivalent to 110%	-	797.78
5	Principal: Half-yearly, Interest: Monthly, Put option on August 31, 2024	Jun-23	May'24, Nov'24, May'25, Nov'25, Jun'26	11.00%	Exclusive charge over book debts equivalent to 110% of loan amount	299.43	896.09
6	Principal: Quarterly, Interest: Monthly, Put option on June 30, 2025	Jul-23	Sep'24, Dec'24, Mar'25, Jun'25, Sep'25, Dec'25, Mar'26, Jul'26	10.75%	Exclusive charge over book debts equivalent to 110% of loan amount	61.33	467.18
7	Principal: Quarterly, Interest: Monthly, Put option on July 31, 2025	Aug-23	Oct'24, Jan'25, Apr'25, Jul'25, Oct'25, Jan'26, Apr'26, Aug'26	10.75%	Exclusive charge over book debts equivalent to 110% of loan amount	184.78	560.74

Notes Forming Part of Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ millions, unless stated otherwise)

41 DETAILS OF TERMS & CONDITIONS OF DEBT SECURITIES, BORROWINGS AND SUBORDINATED LIABILITIES (Contd.)

Debt Securities - Non-Convertible Debentures		**Interest commencement month**	**Principal repayment month**	**Interest rate p.a**	**Nature of the security**	**Carrying value as at**	
S No.	**Repayment terms**					**March 31, 2026**	**March 31, 2025**
8	Principal: Half-yearly, Interest: Quarterly	Aug-24	Mar'27, Sep'27, Mar'28 and Aug'28	8.97%	Exclusive charge over book debts equivalent to 100%	661.31	659.73
9	Principal: 2 Bullet instalments, Interest: Quarterly	Sep-25	Sep-26 and Sep-27	9.80%	Exclusive charge over book debts equivalent to 110% of the facility amount outstanding	992.99	-
10	Principal: Bullet repayment, Interest: Monthly	Sep-25	Sep-28	9.80%	Exclusive charge over book debts equivalent to 110% of the facility amount outstanding	487.38	-
11	Principal: Quarterly, Interest: Monthly	Nov-25	Feb-26, May-26, Aug-26, Nov-26, Feb-27, May-27, Aug-27, Nov-27	9.80%	Exclusive charge over book debts equivalent to 110% of the facility amount outstanding	649.57	-
12	Principal: Bullet repayment, Interest: Monthly	Nov-25	Nov-27	9.90%	Exclusive charge over book debts equivalent to 105% of the facility amount outstanding	735.84	-
13	Principal: Quarterly, Interest: Monthly	Nov-25	Feb-28, May-28, Aug-28, Nov-28	10.00%	Exclusive charge over book debts equivalent to 105% of the facility amount outstanding	732.30	-
14	Principal: Bullet repayment, Interest: Monthly	Dec-25	Dec-27	9.70%	Exclusive charge over book debts equivalent to 105% of the facility amount outstanding	1,471.56	-
15	Principal: Bullet repayment, Interest: Monthly	Jan-26	Jan-28	9.70%	Exclusive charge over book debts equivalent to 105% of the facility amount outstanding	490.14	-
16	Principal: Bullet repayment, Interest: Monthly	Dec-25	Dec-27	9.85%	Exclusive charge over book debts equivalent to 105% of the facility amount outstanding	1,232.32	-
17	Principal: Quarterly, Interest: Monthly	Dec-25	Mar-28, Jun-28, Sep-28, Dec-28	9.95%	Exclusive charge over book debts equivalent to 105% of the facility amount outstanding	1,226.11	-
18	Principal: Bullet repayment, Interest: Monthly	Feb-26	Feb-28	9.70%	Exclusive charge over book debts equivalent to 105% of the facility amount outstanding	392.41	-
Total of Debt Securities - Non-Convertible Debentures						**9,617.47**	**5,636.63**

Notes Forming Part of Financial Statements

for the year ended March 31, 2026
(All amounts in ₹ millions, unless stated otherwise)

41 DETAILS OF TERMS & CONDITIONS OF DEBT SECURITIES, BORROWINGS AND SUBORDINATED LIABILITIES (Contd.)

Debt securities - Commercial Paper		Interest commencement month	Principal repayment month	Interest rate p.a	Nature of the security	Carrying value as at	
S No.	**Repayment terms**					**March 31, 2026**	**March 31, 2025**
1	Principal: Bullet repayment, Interest: Bullet repayment	Aug-26	Aug-26	9.50%	Unsecured	316.65	-
2	Principal: Bullet repayment, Interest: Bullet repayment	May-26	May-26	8.75%	Unsecured	247.32	-
3	Principal: Bullet repayment, Interest: Bullet repayment	Jun-26	Jun-26	8.75%	Unsecured	244.66	-
Total of Debt Securities - Commercial Paper						**808.63**	**-**
Total of Borrowings - Debt securities						**10,426.10**	**5,636.63**

Borrowings (other than debt securities) - from banks (Secured)								Carrying value as at	
S No.	**Repayment terms**	**No of instalments**	**Amount per instalment**	**Repayment commencement month**	**Interest Type**	**Interest Rate terms**	**Nature of the security**	**March 31, 2026**	**March 31, 2025**
1	Quarterly	10	25.00	Jan-23	Variable	Repo rate + 5.85%	Exclusive charge over book debts equivalent to 111% of loan amount,Cash margin of 5%.	-	25.11
2	Quarterly	11	272.73	Feb-23	Variable	6M MCLR +255 bps	Exclusive charge over book debts equivalent to 125% of loan amount,Cash margin of 5%.	-	534.44
3	Monthly	35	42.86	Oct-22	Variable	MCLR +Spread	Exclusive charge over book debts equivalent to 117% of loan amount, Cash margin of 5%.	-	214.03
4	Quarterly	12	58.33	Dec-22	Variable	3M MCLR + 300bps	Exclusive charge over book debts equivalent to 120% of loan amount,Cash margin of 10%.	-	116.34
5	Monthly	33	30.30	Dec-22	Variable	MCLR +2.25%	Exclusive charge over book debts equivalent to 111% of loan amount,Cash margin of 10%.	-	151.18
6	Quarterly	12	83.33	Dec-22	Variable	MCLR + 2.50%	Exclusive charge over book debts equivalent to 111% of loan amount,Cash margin of 5%.	-	165.98
7	Quarterly	8	87.50	Feb-24	Fixed	10.10%	Exclusive charge over book debts equivalent to 105% of loan amount,Cash margin of 5%.	-	262.12
8	Monthly	24	4.17	May-23	Fixed	11.50%	Exclusive charge over book debts equivalent to 110% of loan amount	-	4.18
9	Monthly	36	27.78	Apr-23	Variable	1Y MCLR + 2.50%	Exclusive charge over book debts equivalent to 111% of loan amount,Cash margin of 10%.	-	334.57
10	Quarterly	9	61.11	Jul-23	Variable	I-MCLR-1Y + Spread	Exclusive charge over book debts equivalent to 110% of loan amount,Cash margin of 5%.	-	122.92
11	Monthly	21	119.05	Jul-23	Variable	MCLR + 120bps spread	Exclusive charge over book debts equivalent to 110% of loan amount	-	0.00
12	Quarterly	8	31.25	Nov-23	Variable	Repo rate + 3.7%	Exclusive charge over book debts equivalent to 111% of loan amount,Cash margin of 5%.	-	62.43

Notes Forming Part of Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ millions, unless stated otherwise)

41 DETAILS OF TERMS & CONDITIONS OF DEBT SECURITIES, BORROWINGS AND SUBORDINATED LIABILITIES (Contd.)

Borrowings (other than debt securities) - from banks (Secured)								Carrying value as at	
S No.	**Repayment terms**	**No of instalments**	**Amount per instalment**	**Repayment commencement month**	**Interest Type**	**Interest Rate terms**	**Nature of the security**	**March 31, 2026**	**March 31, 2025**
13	Monthly	22	16.82	Aug-23	Variable	MCLR03 + 1.85%	Exclusive charge over book debts equivalent to 110% of loan amount	-	33.61
14	Quarterly	8	29.69	Aug-23	Variable	3M NIBOR+ 3.74% Spread	Exclusive charge over book debts equivalent to 110% of loan amount,Cash margin of 5%	-	29.70
15	Quarterly	9	31.11	Oct-23	Variable	I-MCLR-1Y + Spread 2.10% p.a	Exclusive charge over book debts equivalent to 105% of loan amount, Cash margin of 5%.	-	93.81
16	Monthly	24	20.83	Jul-23	Fixed	10.50%	Exclusive charge over book debts equivalent to 110% of loan amount	-	62.42
17	Quarterly	8	50.00	Sep-23	Variable	MCLR + 200 Bps	Exclusive charge over book debts equivalent to 110% of loan amount	-	49.94
18	Monthly	24	31.25	Oct-25	Variable	MCLR + 225 Bps	Exclusive charge over book debts equivalent to 110% of loan amount, Cash margin of 5%	-	187.13
19	Monthly	24	41.67	Oct-25	Variable	MCLR + Spread	Exclusive charge over book debts equivalent to 110% of loan amount, Cash margin of 5%	-	290.27
20	Monthly	24	20.83	Aug-25	Variable	MCLR + Spread	Exclusive charge over book debts equivalent to 105% of loan amount, Cash margin of 5%	-	104.07
21	Monthly	24	20.83	Aug-25	Variable	MCLR + Spread	Exclusive charge over book debts equivalent to 105% of loan amount, Cash margin of 5%	-	104.07
22	Monthly	24	16.67	Sep-25	Variable	EBLR + 3% Spread	Exclusive charge over book debts equivalent to 110% of loan amount	-	100.53
23	Quarterly	8	29.69	Aug-25	Variable	MCLR + Spread	Exclusive charge over book debts equivalent to 110% of loan amount,Cash margin of 5%.	-	59.38
24	Quarterly	11	454.50	Aug-26	Variable	MCLR + 225 Bps	Exclusive charge over book debts equivalent to 125% of loan amount, Cash margin of 5%	878.07	2,701.56
25	Monthly	24	20.83	Jun-25	Variable	Linked to 91 days T-Bill	Exclusive charge over book debts equivalent to 100% of loan amount	-	145.31
26	Quarterly	9	18.89	Dec-25	Variable	MCLR + 2.10% Spread	Exclusive charge over book debts equivalent to 105% of loan amount, Cash margin of 5%	-	75.89
27	Monthly	24	8.33	Sep-25	Variable	MCLR + Spread	Exclusive charge over book debts equivalent to 105% of loan amount, Cash margin of 5%	-	49.93
28	Quarterly	8	62.50	Dec-25	Variable	MCLR + Spread	Exclusive charge over book debts equivalent to 110% of loan amount	-	187.10
29	Monthly	22	68.18	Jan-24	Variable	MCLR + 1.55%	Exclusive charge on book debts equivalent to 110% of loan amount	-	476.66
30	Quarterly	12	83.33	Dec-23	Variable	MCLR + 1.90%	Exclusive charge on book debts equivalent to 111.11% of loan amount	165.90	498.55

Notes Forming Part of Financial Statements

for the year ended March 31, 2026
(All amounts in ₹ millions, unless stated otherwise)

41 DETAILS OF TERMS & CONDITIONS OF DEBT SECURITIES, BORROWINGS AND SUBORDINATED LIABILITIES (Contd.)

Borrowings (other than debt securities) - from banks (Secured)								Carrying value as at	
S No.	**Repayment terms**	**No of instalments**	**Amount per instalment**	**Repayment commencement month**	**Interest Type**	**Interest Rate terms**	**Nature of the security**	**March 31, 2026**	**March 31, 2025**
31	Monthly	24	20.83	Dec-23	Fixed	10.50%	Exclusive charge on book debts equivalent to 110% of loan amount	-	166.21
32	Quarterly	10	50.00	Jul-24	Variable	MCLR + 0.75%	Exclusive charge on book debts equivalent to 110% of loan amount	150.82	351.53
33	Quarterly	12	41.67	Feb-24	Variable	MCLR + 45 BPS	Exclusive charge on book debts equivalent to 110% of loan amount	124.31	289.31
34	Monthly	22	22.73	Feb-24	Variable	MCLR + 1.55%	Exclusive charge on book debts equivalent to 110% of loan amount	-	181.68
35	Monthly	24	41.67	Mar-24	Variable	MCLR + Margin	Exclusive charge on book debts equivalent to 110% of loan amount, Cash margin of 5%	-	454.93
36	Quarterly	8	112.50	Mar-24	Variable	MCLR + 1.35%	Exclusive charge on book debts equivalent to 112% of loan amount, Cash margin of 5%	-	49.81
37	Monthly	23	20.83	Feb-24	Variable	MCLR + Spread	Exclusive charge on book debts equivalent to 110% of loan amount	-	206.77
38	Quarterly	12	33.33	Mar-24	Variable	MCLR + 2.25 Bps	Exclusive charge on book debts equivalent to 120% of loan amount, Cash margin of 6%	99.56	231.28
39	Half Yearly	4	81.64	Jul-24	Variable	MCLR/ MIBOR	Exclusive charge on book debts equivalent to 110% of loan amount, Cash margin of 5%	-	163.37
40	Quarterly	8	29.69	Nov-23	Variable	MCLR/ MIBOR	Exclusive charge on book debts equivalent to 110% of loan amount, Cash margin of 5%	-	118.82
41	Monthly	22	54.55	May-24	Variable	MCLR + 1.55%	Exclusive charge on book debts equivalent to 110% of loan amount	-	598.86
42	Quarterly	8	112.50	Jun-24	Variable	MCLR + 1.35%	Exclusive charge on book debts equivalent to 112% of loan amount, Cash margin of 5%	-	448.33
43	Monthly	35	57.14	Feb-24	Variable	1.90% over 1 year MCLR + 0.25% Spread	Exclusive charge on book debts equivalent to 117% of loan amount, Cash margin of 5%	456.64	1,139.46
44	Monthly	35	57.14	Jan-23	Variable	1.90% over 1 year MCLR + 0.25% Spread	Exclusive charge on book debts equivalent to 117% of loan amount, Cash margin of 5%	512.85	1,192.21
45	Monthly	24	62.50	Mar-24	Fixed	10.50%	Exclusive charge on book debts equivalent to 110% of loan amount	-	685.74
46	Monthly	24	62.50	Apr-24	Variable	3 Month T-Bill + Spread%	Exclusive charge on book debts equivalent to 115% of loan amount	-	748.61
47	Monthly	24	41.67	Apr-24	Fixed	10.50%	Exclusive charge on book debts equivalent to 110% of loan amount	-	498.62

Notes Forming Part of Financial Statements

for the year ended March 31, 2026

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41 DETAILS OF TERMS & CONDITIONS OF DEBT SECURITIES, BORROWINGS AND SUBORDINATED LIABILITIES (Contd.)

Borrowings (other than debt securities) - from banks (Secured)								Carrying value as at	
S No.	**Repayment terms**	**No of instalments**	**Amount per instalment**	**Repayment commencement month**	**Interest Type**	**Interest Rate terms**	**Nature of the security**	**March 31, 2026**	**March 31, 2025**
48	Quarterly	8	62.50	Jun-24	Variable	MCLR + 1.35%	Exclusive charge on book debts equivalent to 112% of loan amount, Cash margin of 5%	-	248.84
49	Quarterly	8	25.00	Sep-24	Variable	MCLR + 0.15% Spread	Exclusive charge on book debts equivalent to 110% of loan amount	24.99	124.79
50	Quarterly	8	187.50	Oct-24	Variable	MCLR + 2.10% Spread	Exclusive charge on book debts equivalent to 110% of loan amount	186.66	929.86
51	Quarterly	12	166.70	Jun-24	Variable	MCLR + 1.30% Spread	Exclusive charge on book debts equivalent to 111% of loan amount	663.51	1,323.96
52	Quarterly	8	50.00	Oct-24	Variable	MCLR + 0.15%	Exclusive charge over book debts equivalent to 1.10 times of loan amount	99.95	299.51
53	Quarterly	8	37.50	Jun-25	Variable	MCLR + 0.15%	Exclusive charge over book debts equivalent to 1.10 times of loan amount	149.78	299.28
54	Monthly	26	35.42	Jul-24	Variable	T-Bill + 3.09%	Exclusive charge over book debts equivalent to 100% of loan amount	105.75	528.71
55	Quarterly	9	111.11	Sep-24	Variable	MCLR + 1.40%	Exclusive charge over book debts equivalent to 115% of loan amount	223.44	669.75
56	Quarterly	8	62.50	Sep-24	Variable	EBR + 3.65%	Exclusive charge over book debts equivalent to 110% of loan amount	62.37	311.08
57	Quarterly	8	156.25	Nov-24	Variable	EBR + 3.65%	Exclusive charge over book debts equivalent to 110% of loan amount	311.98	932.99
58	Quarterly	12	41.67	Sep-24	Variable	MCLR + 0.15%	Exclusive charge over book debts equivalent to 110% on standard loan receivables	207.24	372.33
59	Quarterly	12	41.67	Nov-24	Variable	MCLR + 0.15%	Exclusive charge over book debts equivalent to 110% on standard loan receivables	248.76	413.74
60	Half yearly	4	75.00	Jan-25	Variable	MCLR + 1.50%	Exclusive charge over book debts equivalent to 1.10 times of loan amount and Cash Margin 5%	75.04	225.13
61	Half yearly	4	89.06	Jan-25	Variable	MCLR + 1.50%	Exclusive charge over book debts equivalent to 1.10 times of loan amount and Cash Margin 5%	89.11	267.34
62	Half yearly	4	109.47	May-25	Variable	MCLR + 1.45%	Exclusive charge over book debts equivalent to 1.10 times of loan amount and Cash Margin 5%	219.06	438.14
63	Half yearly	4	74.22	Jun-25	Variable	MCLR + 1.60%	Exclusive charge over book debts equivalent to 1.10 times of loan amount and Cash Margin 5%	148.52	297.05
64	Half yearly	4	18.75	Aug-25	Variable	MCLR + 1.60%	Exclusive charge over book debts equivalent to 1.10 times of loan amount and Cash Margin 5%	37.52	75.04
65	Half yearly	4	42.68	Aug-25	Variable	MCLR + 1.60%	Exclusive charge over book debts equivalent to 1.10 times of loan amount and Cash Margin 5%	85.35	170.80
66	Half yearly	4	89.06	Sep-25	Variable	MCLR + 1.60%	Exclusive charge over book debts equivalent to 1.10 times of loan amount and Cash Margin 5%	178.23	356.25

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41 DETAILS OF TERMS & CONDITIONS OF DEBT SECURITIES, BORROWINGS AND SUBORDINATED LIABILITIES (Contd.)

Borrowings (other than debt securities) - from banks (Secured)								Carrying value as at	
S No.	**Repayment terms**	**No of instalments**	**Amount per instalment**	**Repayment commencement month**	**Interest Type**	**Interest Rate terms**	**Nature of the security**	**March 31, 2026**	**March 31, 2025**
67	Monthly	24	31.25	Oct-24	Variable	MCLR + 0.85%	Exclusive charge over book debts equivalent to 110% of loan amount	187.50	562.02
68	Monthly	24	10.42	Nov-24	Variable	MCLR + 0.85%	Exclusive charge over book debts equivalent to 110% of loan amount	72.92	197.74
69	Monthly	24	20.83	Nov-24	Fixed	10.50%	Exclusive charge over book debts equivalent to 1.1 times of loan amount	145.83	395.83
70	Monthly	24	41.67	Dec-24	Fixed	10.50%	Exclusive charge over book debts equivalent to 1.1 times of loan amount	333.33	834.05
71	Monthly	24	20.83	May-25	Fixed	10.50%	Exclusive charge over book debts equivalent to 1.1 times of loan amount	269.50	495.39
72	Monthly	22	56.82	Nov-24	Variable	MCLR + 1.55%	Exclusive charge over book debts equivalent to 110% of loan amount	283.77	962.61
73	Monthly	22	11.36	Dec-24	Variable	MCLR + 1.55%	Exclusive charge over book debts equivalent to 110% of loan amount	68.11	203.93
74	Monthly	22	13.64	Feb-25	Variable	MCLR + 1.55%	Exclusive charge over book debts equivalent to 110% of loan amount	108.96	271.87
75	Monthly	22	11.36	Apr-25	Variable	MCLR + 1%	Exclusive charge over book debts equivalent to 110% of loan amount	113.45	249.16
76	Monthly	22	22.73	May-25	Variable	MCLR + 1%	Exclusive charge over book debts equivalent to 110% of loan amount	249.82	499.25
77	Monthly	21	80.95	Dec-24	Variable	MCLR + 0.05%	Exclusive charge over book debts equivalent to 1.1 times of loan amount	404.76	1,376.19
78	Monthly	21	119.05	Jun-25	Variable	MCLR + 0.40%	Exclusive charge over book debts equivalent to 1.1 times of loan amount	1,309.52	2,500.00
79	Monthly	24	20.83	Nov-24	Variable	BR + 4%	Exclusive charge over book debts equivalent to 1.1 times of loan amount	146.76	398.60
80	Monthly	24	10.42	Nov-24	Variable	BR + 4%	Exclusive charge over book debts equivalent to 1.1 times of loan amount	73.38	199.29
81	Monthly	24	41.67	Oct-24	Variable	3 Month T-Bill + 2.76	Exclusive charge over book debts equivalent to 1.1 times of loan amount	250.06	750.00
82	Monthly	24	41.67	Nov-24	Variable	3 Month T-Bill + 2.83	Exclusive charge over book debts equivalent to 1.1 times of loan amount	291.67	792.28
83	Monthly	24	18.46	Feb-25	Fixed	10.00%	Exclusive charge over book debts equivalent to 110% of loan amount	176.80	351.52
84	Quarterly	12	58.33	May-25	Variable	MCLR + 2.05%	Exclusive charge over book debts equivalent to 110% of loan amount	465.24	696.65
85	Monthly	24	20.83	Apr-25	Variable	Repo Rate + 3.55%	Exclusive charge over book debts equivalent to 1.15 times of loan amount	248.97	497.32
86	Monthly	24	39.60	Apr-25	Variable	MCLR + 1.40%	Exclusive charge over book debts equivalent to 15% Margin of loan amount	468.76	929.55
87	Monthly	22	11.36	Jul-25	Variable	MCLR + 1.00%	Exclusive charge over book debts equivalent to 110% of the loan amount and Cash Margin Nil	147.44	-

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for the year ended March 31, 2026
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41 DETAILS OF TERMS & CONDITIONS OF DEBT SECURITIES, BORROWINGS AND SUBORDINATED LIABILITIES (Contd.)

Borrowings (other than debt securities) - from banks (Secured)								**Carrying value as at**	
S No.	**Repayment terms**	**No of instalments**	**Amount per instalment**	**Repayment commencement month**	**Interest Type**	**Interest Rate terms**	**Nature of the security**	**March 31, 2026**	**March 31, 2025**
88	Monthly	24	10.42	Jun-25	Variable	Repo-Rate + 3.55%	Exclusive charge over book debts equivalent to 1.15x of the facility amount outstanding and Cash Margin Nil	145.21	-
89	Quarterly	8	28.75	Nov-25	Variable	MCLR + 0.25%	Exclusive charge over book debts equivalent to 1.10 times of the loan amount and Cash Margin Nil	172.17	-
90	Half yearly	4	60.77	Dec-25	Variable	MCLR + 1.60%	Exclusive charge over book debts equivalent to 1.10x of loan amount and Cash Margin 5%	182.41	-
91	Quarterly	8	137.50	Dec-25	Variable	MCLR + 1.00%	Exclusive charge over book debts equivalent to 110% of the loan amount and Cash Margin Nil	821.63	-
92	Quarterly	8	93.75	Dec-25	Variable	MCLR + 1.00%	Exclusive charge over book debts equivalent to 110% of the loan amount and Cash Margin Nil	560.12	-
93	Quarterly	8	18.75	Jan-26	Variable	MCLR + 1.00%	Exclusive charge over book debts equivalent to 110% of the loan amount and Cash Margin Nil	130.72	-
94	Quarterly	8	175.00	Feb-26	Variable	MCLR + 1.15%	Exclusive charge over book debts equivalent to 110% of the loan amount and Cash Margin Nil	1,222.28	-
95	Quarterly	8	200.00	Mar-26	Variable	MCLR + 1.15%	Exclusive charge over book debts equivalent to 110% of the loan amount and Cash Margin Nil	1,396.82	-
96	Monthly	24	10.42	Aug-25	Variable	Repo-Rate + 3.55%	Exclusive charge over book debts equivalent to 1.15x of the facility amount outstanding and Cash Margin Nil	165.84	-
97	Monthly	24	25.00	Jan-26	Variable	Repo-Rate + 4.35%	Exclusive charge over book debts equivalent to 1.15x of the facility amount outstanding and Cash Margin Nil	522.73	-
98	Monthly	24	47.92	Mar-26	Variable	Repo-Rate + 4.35%	Exclusive charge over book debts equivalent to 1.15x of the facility amount outstanding and Cash Margin Nil	1,096.58	-
99	Quarterly	8	37.50	Mar-26	Variable	MCLR + 0.35%	Exclusive charge over book debts equivalent to 1.10 times of the loan amount and Cash Margin Nil	261.88	-
100	Monthly	24	21.67	Apr-26	Variable	MCLR + 0.35%	Exclusive charge over book debts equivalent to 1.10 times of the loan amount and Cash Margin Nil	518.65	-
101	Half yearly	4	42.68	Feb-26	Variable	MCLR + 1.60%	Exclusive charge over book debts equivalent to 1.10x of loan amount and Cash Margin 5%	128.10	-
102	Half yearly	4	18.75	Feb-26	Variable	MCLR + 1.60%	Exclusive charge over book debts equivalent to 1.10x of loan amount and Cash Margin 5%	56.28	-
103	Half yearly	4	32.93	Mar-26	Variable	MCLR + 1.60%	Exclusive charge over book debts equivalent to 1.10x of loan amount and Cash Margin 5%	98.86	-

Notes Forming Part of Financial Statements

for the year ended March 31, 2026
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41 DETAILS OF TERMS & CONDITIONS OF DEBT SECURITIES, BORROWINGS AND SUBORDINATED LIABILITIES (Contd.)

Borrowings (other than debt securities) - from banks (Secured)								Carrying value as at	
S No.	**Repayment terms**	**No of instalments**	**Amount per instalment**	**Repayment commencement month**	**Interest Type**	**Interest Rate terms**	**Nature of the security**	**March 31, 2026**	**March 31, 2025**
104	Half yearly	4	4.69	Mar-26	Variable	MCLR + 1.60%	Exclusive charge over book debts equivalent to 1.10x of loan amount and Cash Margin 5%	14.07	-
105	Half yearly	4	22.27	Mar-26	Variable	MCLR + 1.60%	Exclusive charge over book debts equivalent to 1.10x of loan amount and Cash Margin 5%	66.84	-
106	Half yearly	4	61.11	Jun-26	Variable	MCLR + 1.60%	Exclusive charge over book debts equivalent to 1.10x of loan amount and Cash Margin 5%	244.60	-
107	Half yearly	4	23.44	Aug-26	Variable	MCLR + 1.60%	Exclusive charge over book debts equivalent to 1.10x of loan amount and Cash Margin 5%	93.80	-
108	Half yearly	4	53.34	Aug-26	Variable	MCLR + 1.60%	Exclusive charge over book debts equivalent to 1.10x of loan amount and Cash Margin 5%	213.50	-
109	Quarterly	8	375.00	Jul-26	Variable	Repo-Rate + 5.00%	Exclusive charge over book debts equivalent to 110% of the loan amount and Cash Margin Nil	2,929.80	-
110	Quarterly	11	45.45	Sep-26	Variable	MCLR + 0.40%	Exclusive charge over book debts equivalent to 1.10 times of the facility amount outstanding and Cash Margin Nil	496.87	-
111	Monthly	24	41.67	Oct-25	Variable	Repo-Rate + 4.50%	Exclusive charge over book debts equivalent to 105% of the facility amount outstanding and Cash Margin Nil	745.63	-
112	Bullet	1	28.00	Mar-27	Variable	MCLR + Spread	Exclusive charge over book debts equivalent to 110% of the loan amount and Cash Margin Nil	279.28	-
113	Quarterly	12	83.33	Mar-26	Variable	MCLR + 0.30%	Exclusive charge over book debts equivalent to 10% of the loan amount and Cash Margin Nil	907.34	-
114	Monthly	24	25.00	Apr-26	Variable	MCLR + Spread	Exclusive charge over book debts equivalent to 1.10x of the loan amount and Cash Margin Nil	600.00	-
115	Monthly	24	20.83	Apr-26	Variable	MCLR + Spread	Exclusive charge over book debts equivalent to 1.10x of the loan amount and Cash Margin Nil	500.00	-
116	Quarterly	8	250.00	Jun-26	Variable	MCLR + 1.05%	Exclusive charge over book debts equivalent to 110% of the facility amount outstanding and Cash Margin Nil	1,993.84	-
117	Monthly	36	69.44	Oct-25	Variable	MCLR + 0.45%	Exclusive charge over book debts equivalent to 1.1x of the loan amount and Cash Margin Nil	2,083.33	-
118	Monthly	36	83.33	Apr-26	Variable	MCLR + 0.20%	Exclusive charge over book debts equivalent to 1.1x of the loan amount and Cash Margin Nil	2,999.90	-
119	Monthly	22	90.91	Feb-26	Variable	Repo-Rate + 4.25%	Exclusive charge over book debts equivalent to 110% of the loan amount and Cash Margin Nil	1,810.53	-

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for the year ended March 31, 2026

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41 DETAILS OF TERMS & CONDITIONS OF DEBT SECURITIES, BORROWINGS AND SUBORDINATED LIABILITIES (Contd.)

Borrowings (other than debt securities) - from banks (Secured)								**Carrying value as at**	
S No.	**Repayment terms**	**No of instalments**	**Amount per instalment**	**Repayment commencement month**	**Interest Type**	**Interest Rate terms**	**Nature of the security**	**March 31, 2026**	**March 31, 2025**
120	Monthly	22	22.73	May-26	Variable	Repo-Rate + 4.50%	Exclusive charge over book debts equivalent to 110% of the loan amount and Cash Margin Nil	497.42	-
121	Monthly	22	68.18	May-26	Variable	Repo-Rate + 4.50%	Exclusive charge over book debts equivalent to 110% of the loan amount and Cash Margin Nil	1,492.27	-
122	Monthly	24	25.42	Mar-26	Variable	MCLR + 1.30%	Exclusive charge over book debts equivalent to 110% of the loan amount and Cash Margin Nil	582.10	-
123	Monthly	24	5.83	Jun-26	Variable	MCLR + 1.30%	Exclusive charge over book debts equivalent to 110% of the loan amount and Cash Margin Nil	139.28	-
124	Monthly	33	30.30	Apr-26	Variable	MCLR + 1.40%	Exclusive charge over book debts equivalent to 1.11 times of the facility amount outstanding and Cash Margin Nil	996.71	-
125	Monthly	37	13.51	Jan-26	Fixed	10.70%	Exclusive charge over book debts equivalent to 1.10x of the facility amount outstanding and Cash Margin Nil	468.76	-
126	Monthly	33	15.15	Apr-26	Variable	MCLR + 1.40%	Exclusive charge over book debts equivalent to 1.11 times of the facility amount outstanding and Cash Margin Nil	497.79	-
Total of Term Loans from Banks (Secured)								**39,455.90**	**36,216.63**

Borrowings (other than debt securities) - from financial institutions (including NBFCs) (Secured)								**Carrying value as at**	
S No.	**Repayment terms**	**No of instalments**	**Amount per instalment**	**Repayment commencement month**	**Interest Type**	**Interest Rate terms**	**Nature of the security**	**March 31, 2026**	**March 31, 2025**
1	Monthly	36	4.26	May-22	Fixed	11.10%	Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 5%.	-	4.29
2	Monthly	36	4.92	May-22	Fixed	11.10%	Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 5%.	-	4.95
3	Monthly	36	0.66	May-22	Fixed	11.10%	Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 5%.	-	0.66
4	Quarterly	11	45.45	May-23	Fixed	11.50%	Exclusive charge over book debts equivalent to 110% of loan amount	-	136.12
5	Quarterly	11	272.73	Jun-23	Fixed	10.95%	Exclusive charge over book debts equivalent to 110% of loan amount,Cash margin of 5%.	-	809.95
6	Monthly	24	41.67	Jul-23	variable	MCLR + 2.40% Spread	Exclusive charge over book debts equivalent to 110% of loan amount	-	134.22
7	Monthly	30	12.40	Jul-26	Fixed	11.30%	Exclusive charge over book debts equivalent to 110% of loan amount	55.76	211.03
8	Monthly	30	3.10	Jul-26	Fixed	11.30%	Exclusive charge over book debts equivalent to 110% of loan amount	13.94	52.76

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for the year ended March 31, 2026
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41 DETAILS OF TERMS & CONDITIONS OF DEBT SECURITIES, BORROWINGS AND SUBORDINATED LIABILITIES (Contd.)

Borrowings (other than debt securities) - from financial institutions (including NBFCs) (Secured)								Carrying value as at	
S No.	**Repayment terms**	**No of instalments**	**Amount per instalment**	**Repayment commencement month**	**Interest Type**	**Interest Rate terms**	**Nature of the security**	**March 31, 2026**	**March 31, 2025**
9	Monthly	24	20.83	Aug-25	Fixed	10.75%	Exclusive charge over book debts equivalent to 118% of loan amount	-	113.60
10	Quarterly	8	62.50	Aug-25	Variable	MCLR + 2.20% Spread	Exclusive charge over book debts equivalent to 110% of loan amount	-	125.49
11	Quarterly	8	35.00	Aug-25	Variable	MCLR + 2.20% Spread	Exclusive charge over book debts equivalent to 110% of loan amount	-	70.27
12	Quarterly	8	5.00	Aug-25	Variable	MCLR + 2.20% Spread	Exclusive charge over book debts equivalent to 110% of loan amount	-	10.04
13	Monthly	24	18.75	Sep-25	Variable	HBLR - 1.10%	Exclusive charge over book debts equivalent to 110% of loan amount	-	122.54
14	Monthly	31	80.65	Sep-26	Variable	MCLR + 205 Bps	Exclusive charge over book debts equivalent to 100% of loan amount, Cash margin of 5%	486.41	1,459.03
15	Monthly	36	13.89	Sep-26	Variable	LTLR - 11.25% Spread	Exclusive charge over book debts equivalent to 110% of loan amount	97.80	264.09
16	Monthly	36	80.70	Dec-23	Variable	MCLR + Spread	Exclusive charge over book debts equivalent to 100% of loan amount and Cash Margin 5%	566.26	1,539.42
17	Bullet Payment	1	1,500.00	Dec-26	Fixed	7.75%	Exclusive charge over book debts equivalent to 100% of loan amount and Cash Margin 10%	1,501.06	1,491.75
18	Monthly	24	20.83	Aug-24	Variable	HDFC MCLR + 0.85%	Exclusive charge over book debts equivalent to 1.15 times of loan amount and Cash Margin Nil	83.79	333.75
19	Quarterly	12	54.17	Dec-24	Fixed	10.35%	Exclusive charge over book debts equivalent to 110% of loan amount and Cash Margin Nil	324.31	540.22
20	Monthly	36	32.27	Nov-24	Fixed	10.00%	Exclusive charge over book debts equivalent to 1.10 times of loan amount and Cash Margin Nil	568.34	881.93
21	Monthly	36	16.13	Dec-24	Fixed	10.00%	Exclusive charge over book debts equivalent to 1.10 times of loan amount and Cash Margin Nil	296.95	450.96
22	Monthly	24	34.78	Nov-24	Variable	HBLR - 2%	Exclusive charge over book debts equivalent to 1.10 times of loan amount and Cash Margin Nil	235.86	607.84
23	Quarterly	11	225.00	Mar-25	Fixed	10.50%	Exclusive charge over book debts equivalent to 1.10 times of loan amount and Cash Margin Nil	1,349.68	2,249.17
24	Quarterly	10	50.00	Jun-25	Fixed	10.55%	Exclusive charge over book debts equivalent to 105% of loan amount and Cash Margin Nil	299.96	498.63
25	Quarterly	8	68.75	Jun-25	Fixed	10.40%	Exclusive charge over book debts equivalent to 1.1 times of loan amount and Cash Margin Nil	276.33	550.11
26	Quarterly	8	43.75	Jul-25	Fixed	10.40%	Exclusive charge over book debts equivalent to 1.1 times of the outstanding amount and Cash Margin Nil	219.94	-

Notes Forming Part of Financial Statements

for the year ended March 31, 2026
(All amounts in ₹ millions, unless stated otherwise)

41 DETAILS OF TERMS & CONDITIONS OF DEBT SECURITIES, BORROWINGS AND SUBORDINATED LIABILITIES (Contd.)

Borrowings (other than debt securities) - from financial institutions (including NBFCs) (Secured)								Carrying value as at	
S No.	**Repayment terms**	**No of instalments**	**Amount per instalment**	**Repayment commencement month**	**Interest Type**	**Interest Rate terms**	**Nature of the security**	**March 31, 2026**	**March 31, 2025**
27	Quarterly	8	68.75	Mar-26	Fixed	10.40%	Exclusive charge over book debts equivalent to 1.1 times of the facility amount outstanding and Cash Margin Nil	482.90	-
28	Monthly	24	20.83	Aug-25	Variable	FBLR + Spread -5.55%	Exclusive charge over book debts equivalent to 1.10x of the facility amount outstanding	346.07	-
29	Monthly	24	25.00	Mar-26	Variable	FBLR + -5.05%	Exclusive charge over book debts equivalent to 1.10x of the facility amount outstanding	580.18	-
30	Monthly	18	13.89	Oct-25	Variable	MAS PLR - 6.00%	Exclusive charge over book debts equivalent to 1.10 times of the loan amount and Cash Margin Nil	167.02	-
31	Monthly	18	13.89	Dec-25	Variable	MAS PLR - 6.00%	Exclusive charge over book debts equivalent to 1.10 times of the loan amount and Cash Margin Nil	194.67	-
32	Monthly	24	12.50	Apr-26	Variable	MAS PLR - 6.20%	Exclusive charge over book debts equivalent to 1.10x of the facility amount outstanding	300.17	-
33	Monthly	36	11.11	May-26	Fixed	10.10%	Exclusive charge over book debts equivalent to 110% of the loan amount and Cash Margin Nil	400.95	-
34	Quarterly	12	41.67	Mar-26	Fixed	10.25%	Exclusive charge over book debts equivalent to 110% of the loan amount and Cash Margin Nil	457.22	-
35	Quarterly	12	41.67	Jun-26	Fixed	10.25%	Exclusive charge over book debts equivalent to 110% of the loan amount and Cash Margin Nil	498.74	-
36	Monthly	24	20.83	Dec-25	Fixed	10.25%	Exclusive charge over book debts equivalent to 1.05x of the loan amount and Cash Margin Nil	417.08	-
Total of Borrowings from Financial Institutions (including NBFCs) (Secured)								**10,221.39**	**12,662.82**

Borrowings (other than debt securities) - from financial institutions (including NBFCs) (Secured)								Carrying value as at	
S No.	**Repayment terms**	**No of instalments**	**Amount per instalment**	**Repayment commencement month**	**Interest Type**	**Interest Rate terms**	**Nature of the security**	**March 31, 2026**	**March 31, 2025**
1	Monthly	18	Based on Actual collection	Feb-24	Fixed	9.00%	Exclusive charge over book debts equivalent to 115% of loan amount,Cash margin of 5.5%.	-	252.59
2	Monthly	16	Based on Actual collection	Mar-24	Fixed	9.00%	Exclusive charge over book debts equivalent to 114% of loan amount,Cash margin of 5.5%.	-	184.01
3	Monthly	18	Based on Actual collection	May-24	Fixed	9.00%	Exclusive charge over book debts equivalent to 112% of loan amount,Cash margin of 5%.	-	322.52
4	Monthly	21	Based on Actual collection	Jul-24	Fixed	9.25%	Overcollateralisation (11.0% of initial pool principal) and Cash collateral of 5%	-	1,000.97
5	Monthly	21	Based on Actual collection	Jul-24	Fixed	8.75%	Overcollateralisation (12.50% of initial pool principal) and Cash collateral of 7%	-	504.86
6	Monthly	20	Based on Actual collection	Nov-24	Fixed	8.75%	Overcollateralisation (12.70% of initial pool principal) and Cash collateral of 5%	-	688.63

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for the year ended March 31, 2026

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41 DETAILS OF TERMS & CONDITIONS OF DEBT SECURITIES, BORROWINGS AND SUBORDINATED LIABILITIES (Contd.)

Borrowings (other than debt securities) - from financial institutions (including NBFCs) (Secured)								Carrying value as at	
S No.	Repayment terms	No of instalments	Amount per instalment	Repayment commencement month	Interest Type	Interest Rate terms	Nature of the security	March 31, 2026	March 31, 2025
7	Monthly	21	Based on Actual collection	Dec-24	Fixed	8.75%	Overcollateralisation (12.00% of initial pool principal) and Cash collateral of 5%	-	2,373.90
8	Monthly	20	Based on Actual collection	Dec-24	Fixed	8.70%	Overcollateralisation (14.50% of initial pool principal) and Cash collateral of 5%	-	1,122.73
9	Monthly	21	Based on Actual collection	Jan-25	Fixed	8.65%	Overcollateralisation (12.00% of initial pool principal) and Cash collateral of 5%	-	1,641.02
10	Monthly	21	Based on Actual collection	Jan-25	Fixed	8.50%	Overcollateralisation (13.50% of initial pool principal) and Cash collateral of 7%	-	556.53
11	Monthly	21	Based on Actual collection	Apr-25	Fixed	8.75%	Overcollateralisation (10.00% of initial pool principal) and Cash collateral of 5%	376.66	1,632.09
12	Monthly	21	Based on Actual collection	May-25	Fixed	8.50%	Overcollateralisation (14.50% of initial pool principal) and Cash collateral of 5%	264.38	1,083.58
13	Monthly	21	Based on Actual collection	May-25	Fixed	8.50%	Overcollateralisation (14.5% of the pool principal) and Cash collateral of 5%	318.50	-
14	Monthly	21	Based on Actual collection	Jun-25	Fixed	8.50%	Overcollateralisation (14.5% of the pool principal) and Cash collateral of 5%	328.47	-
15	Monthly	21	Based on Actual collection	Jul-25	Fixed	8.75%	Overcollateralisation (10.00% of the pool principal) and Cash collateral of 5%	636.50	-
16	Monthly	21	Based on Actual collection	Jun-25	Fixed	8.40%	Overcollateralisation (13.50% of the pool principal) and Cash collateral of 7%	332.97	-
17	Monthly	21	Based on Actual collection	Jul-25	Fixed	8.50%	Overcollateralisation (14.50% of the pool principal) and Cash collateral of 5%	1,141.41	-
18	Monthly	30	Based on Actual collection	Aug-25	Fixed	8.50%	Overcollateralisation (9.50% of the pool principal) and Cash collateral of 10%	2,701.36	-
19	Monthly	21	Based on Actual collection	Aug-25	Fixed	8.45%	Overcollateralisation (13.50% of the pool principal) and Cash collateral of 7%	449.56	-
20	Monthly	20	Based on Actual collection	Sep-25	Fixed	8.65%	Overcollateralisation (12.00% of the pool principal) and Cash collateral of 5%	506.69	-
21	Monthly	20	Based on Actual collection	Sep-25	Fixed	8.75%	Overcollateralisation (10.00% of the pool principal) and Cash collateral of 5%	693.98	-
22	Monthly	21	Based on Actual collection	Sep-25	Fixed	8.50%	Overcollateralisation (14.50% of the pool principal) and Cash collateral of 5%	810.56	-
23	Monthly	21	Based on Actual collection	Oct-25	Fixed	8.50%	Overcollateralisation (14.50% of the pool principal) and Cash collateral of 5%	887.04	-
24	Monthly	21	Based on Actual collection	Oct-25	Fixed	8.75%	Overcollateralisation (10.00% of the pool principal) and Cash collateral of 5%	1,564.42	-
25	Monthly	21	Based on Actual collection	Oct-25	Fixed	8.75%	Overcollateralisation (10.00% of the pool principal) and Cash collateral of 5%	805.03	-
26	Monthly	20	Based on Actual collection	Jan-26	Fixed	8.75%	Overcollateralisation (10.00% of the pool principal) and Cash collateral of 5%	2,879.91	-
27	Monthly	29	Based on Actual collection	Feb-26	Fixed	8.50%	Overcollateralisation (14.50% of the pool principal) and Cash collateral of 6.5%	723.33	-

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for the year ended March 31, 2026

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41 DETAILS OF TERMS & CONDITIONS OF DEBT SECURITIES, BORROWINGS AND SUBORDINATED LIABILITIES (Contd.)

Borrowings (other than debt securities) - from financial institutions (including NBFCs) (Secured)								Carrying value as at	
S No.	**Repayment terms**	**No of instalments**	**Amount per instalment**	**Repayment commencement month**	**Interest Type**	**Interest Rate terms**	**Nature of the security**	**March 31, 2026**	**March 31, 2025**
28	Monthly	29	Based on Actual collection	Mar-26	Fixed	8.50%	Overcollateralisation (12.45% of the pool principal) and Cash collateral of 5%	1,136.95	-
29	Monthly	35	Based on Actual collection	Apr-26	Fixed	8.00%	Overcollateralisation (11.40% of the pool principal) and Cash collateral of 5%	1,037.92	-
30	Monthly	30	Based on Actual collection	Apr-26	Fixed	8.05%	Overcollateralisation (8.00% of the pool principal) and Cash collateral of 5%	580.31	-
31	Monthly	30	Based on Actual collection	Apr-26	Fixed	8.35%	Overcollateralisation (9.50% of the pool principal) and Cash collateral of 3.5%	625.18	-
32	Monthly	35	Based on Actual collection	Apr-26	Fixed	7.75%	Overcollateralisation (10.50% of the pool principal) and Cash collateral of 6.5%	780.20	-
Total of Borrowings under Securitisation arrangements								**19,581.30**	**11,363.44**

Borrowings (other than debt securities) - from financial institutions in Foreign Currency (ECB)						Carrying value as at	
S No.	**Repayment terms**	**Interest commencement month**	**Principal repayment month**	**Interest rate p.a**	**Nature of the security**	**March 31, 2026**	**March 31, 2025**
1	Principal: Yearly, Interest: Half-yearly	Apr-23	Oct'24, Oct'25 and Oct'26	Limited to SOFR plus 500bps	Exclusive charge over book debts equivalent to 110%	498.69	902.83
2	Principal: Yearly, Interest: Half-yearly	May-23	Nov'24, Nov'25 and Nov'26	Limited to SOFR plus 500bps	Exclusive charge over book debts equivalent to 110%	327.83	593.01
3	Principal: Bullet repayment, Interest: Half-yearly	Oct-23	Apr-28	6 Months SOFR + 4.5%	Exclusive charge over book debts equivalent to 105% of loan amount	992.94	898.51
4	Bullet Repayment	Jun-24	Jun-27	3 Months SOFR + 2.85%	Exclusive charge over book debts equivalent to 120% of loan amount	2,357.50	2,297.33
5	Principal: Bullet repayment, Interest: Quarterly	Jun-24	Jun-27	3 Months SOFR + 2.85%	Exclusive charge over book debts equivalent to 120% of loan amount	3,768.82	3,314.09
6	Principal: Bullet repayment, Interest: Quarterly	Jun-24	Jun-27	3 Months SOFR + 2.85%	Exclusive charge over book debts equivalent to 120% of loan amount	942.15	785.81
7	Principal: Bullet repayment, Interest: Quarterly	Jun-24	Jun-27	3 Months SOFR + 2.85%	Exclusive charge over book debts equivalent to 120% of loan amount	3,578.45	3,127.34
8	Principal: Bullet repayment, Interest: Half-yearly	Feb-25	Aug-29	6 Months SOFR +3.75%	Unsecured	1,138.73	1,028.91
9	Principal: Bullet repayment, Interest: Half-yearly	Apr-25	Oct-29	6 Months SOFR +3.75%	Unsecured	284.40	251.59
10	Principal: Bullet repayment, Interest: Half-yearly	Apr-26	Oct-28	6 Month SOFR + 2.75%	Exclusive charge over book debts equivalent to 105% of the facility amount outstanding	1,480.19	-
Total of Borrowings from Financial Institutions in Foreign Currency						**15,369.68**	**13,199.42**

Notes Forming Part of Financial Statements

for the year ended March 31, 2026

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41 DETAILS OF TERMS & CONDITIONS OF DEBT SECURITIES, BORROWINGS AND SUBORDINATED LIABILITIES (Contd.)

Borrowings (other than debt securities) - from financial institutions (including NBFCs) (Unsecured)								Carrying value as at	
S No.	Repayment terms	No of instalments	Amount per instalment	Repayment commencement month	Interest Type	Interest Rate terms	Nature of the security	March 31, 2026	March 31, 2025
1	Monthly	24	41.67	Jul-25	Variable	FBLR + 3.80% Spread	Unsecured	-	185.28
2	Monthly	24	20.83	Dec-25	Fixed	10.25%	Unsecured	418.58	-
Total of Borrowings from Financial Institutions (including NBFCs) (Unsecured)								**418.58**	**185.28**
Total of Borrowings (other than debt securities)								**85,046.85**	**73,627.58**
Total Borrowings								**95,472.95**	**79,264.21**

42 ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged as security are:

	As at March 31, 2026	As at March 31, 2025
Financial assets		
First charge		
Loans	84,548.17	78,837.74
Term deposits with bank	3,679.07	3,961.24
Second charge	-	-
Total financial assets pledged as security	**88,227.24**	**82,798.98**
Non financial assets		
First charge	-	-
Second charge	-	-
Total non financial assets pledged as security	**-**	**-**
Total assets pledged as security	**88,227.24**	**82,798.98**

43 CONTINGENT LIABILITIES AND COMMITMENTS

A. Contingent liabilities

	As at March 31, 2026	As at March 31, 2025
Bank Gurantee	5.00	5.00
	5.00	**5.00**

B. Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) amounted to ₹ 14.55 million (March 31, 2025: ₹ 12.50 million).

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for the year ended March 31, 2026
(All amounts in ₹ millions, unless stated otherwise)

44 FINANCIAL INSTRUMENTS AND FAIR VALUE DISCLOSURES

Financial instruments

A Financial assets and liabilities

The carrying amounts of financial instruments by category are as follows:

Particulars	Notes to schedule	As at March 31, 2026	As at March 31, 2025
Financial assets measured at fair value through other comprehensive income			
Loans	6	37,644.01	54,557.08
Investments	7	4,058.30	3,543.42
Derivative financial instruments	14	1,826.45	-
Financial assets measured at amortised cost			
Cash and cash equivalents	2	7,011.48	6,972.50
Bank balances other than cash and cash equivalents	3	4,396.24	4,725.22
Trade Receivables	4	253.63	221.12
Other receivables	5	356.51	488.24
Loans	6	66,320.69	32,844.83
Other financial assets	8	1,939.39	1,058.83
Total		**1,23,806.70**	**1,04,411.24**
Financial liabilities measured at fair value through other comprehensive income			
Derivative financial instruments	14	-	76.86
Financial liabilities measured at amortised cost			
Trade Payables	15	197.50	190.25
Other payables	16	16.25	6.48
Debt securities	17	10,426.10	5,636.63
Borrowings (other than debt securities)	18	85,046.85	73,627.58
Lease liabilities	11	1,599.53	1,749.23
Other financial liabilities	19	757.47	757.90
Total		**98,043.70**	**82,044.93**

B Fair values hierarchy

The fair value of financial instruments as referred to in note 'A' above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:

Level 1: Quoted prices (unadjusted) for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs).

B.1 Valuation framework

Loan assets carried at fair value through other comprehensive income are categorised in Level 3 of the fair value hierarchy.

The Company's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure the quality and adequacy of the fair valuation. In order to arrive at the fair value of the above instruments, the Company obtains independent valuations. The valuation techniques and specific considerations for

Notes Forming Part of Financial Statements

for the year ended March 31, 2026
(All amounts in ₹ millions, unless stated otherwise)

44 FINANCIAL INSTRUMENTS AND FAIR VALUE DISCLOSURES (Contd.)

level 3 inputs are explained in detail below. The objective of the valuation techniques is to arrive at a fair value that reflects the price that would be received to sell the asset or paid to transfer the liability in the market at any given measurement date.

The fair valuation of the financial instruments and its ongoing measurement for financial reporting purposes is ultimately the responsibility of the finance team which reports to the Chief Financial Officer. The team ensures that final reported fair value figures are in compliance with Ind AS and will propose adjustments wherever required. When relying on third-party sources, the team is also responsible for understanding the valuation methodologies and sources of inputs and verifying their suitability for Ind AS reporting requirements.

B.2 Financial assets and liabilities measured at fair value - recurring fair value measurements

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

As at March 31, 2026	Level 1	Level 2	Level 3	Total
Asset at fair value through other comprehensive income				
Loans at FVOCI	-	-	37,644.01	**37,644.01**
Investments in equity instruments	-	-	0.45	**0.45**
Investments in Government Securities	1,223.36	-	-	**1,223.36**
Investments in Security Receipts	-	-	2,834.49	**2,834.49**
Cross Currency Interest Rate Swaps	-	-	1,826.45	**1,826.45**
Total financial assets	**1,223.36**	**-**	**42,305.41**	**43,528.76**
Liabilities at fair value through other comprehensive income				
Cross Currency Interest Rate Swaps	-	-	-	**-**
Total financial liabilities	**-**	**-**	**-**	**-**

As at March 31, 2025	Level 1	Level 2	Level 3	Total
Asset at fair value through other comprehensive income				
Loans at FVOCI	-	-	54,557.08	**54,557.08**
Investments in equity instruments	-	-	0.45	**0.45**
Investments in Government Securities	1,261.11	-	-	**1,261.11**
Investments in Security Receipts	-	-	2,281.86	**2,281.86**
Total financial assets	**1,261.11**	**-**	**56,839.39**	**58,100.50**
Liabilities at fair value through other comprehensive income				
Cross Currency Interest Rate Swaps	-	-	76.86	**76.86**
Total financial liabilities	**-**	**-**	**76.86**	**76.86**

Notes Forming Part of Financial Statements

for the year ended March 31, 2026
(All amounts in ₹ millions, unless stated otherwise)

44 FINANCIAL INSTRUMENTS AND FAIR VALUE DISCLOSURES (Contd.)

B.3 Valuation techniques

B.3A Loan assets carried at fair value through other comprehensive income

Loan receivables are measured at fair value through other comprehensive income ("FVOCI") as the Company's business model is to hold financial assets to collect contractual cash flows and also to sell financial assets.

The fair valuation of loan receivables is carried out separately for monthly and weekly repayment portfolios using an income approach based discounted cash flow valuation methodology. Individual loan accounts are valued separately and aggregated to determine the fair value of the respective portfolios.

The valuation is performed using the following approaches:

(a) Market Yield Approach; and

(b) Internal/Own Cost of Funds Approach.

Based on management's assessment of the valuation methodologies applied and the recommendation from valuer, the Internal/Own Cost of Funds Approach has been considered appropriate for determining fair value for financial reporting purposes.

The fair value of loan receivables is determined by discounting the aggregate expected future cash flows using risk-adjusted discount rates over the residual tenor of the portfolio. The discounting factors are applied considering the timing and frequency of expected collections.

The following assumptions are applied in estimation of future cash flows:

- contractual principal and interest cash flows are considered based on the agreed repayment schedule with borrowers;
- arrear instalments relating to loans with DPD between 1–30 days are considered in the 6th month;
- arrear instalments relating to loans with DPD between 31–90 days are considered in the 12th month; and
- for loans classified as Stage 3/DPD greater than 90 days, the outstanding principal after applying Loss Given Default ("LGD") assumptions is considered in the 12th month.

The significant inputs used in the determination of fair value include:

(i) expected future cash flows comprising contractual principal and interest receivables;

(ii) risk-adjusted discount rates derived using:

  - market yield/internal cost of funds;
  - borrower credit spreads based on Probability of Default ("PD") and LGD assumptions; and
  - servicing cost of financial assets based on OPEX to GLP ratio;

(iii) Probability of Default ("PD");

(iv) Loss Given Default ("LGD"); and

(v) Servicing cost assumptions.

The fair valuation is classified under Level 3 of the fair value hierarchy due to the use of significant unobservable inputs including PD, LGD, servicing cost assumptions and risk-adjusted discount rates.

The risk-adjusted discount rates applied for valuation as at March 31, 2026 were as follows:

Loan portfolio	**Discount rate (%)**
Monthly portfolio	17.81%
Weekly portfolio	17.71%

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44 FINANCIAL INSTRUMENTS AND FAIR VALUE DISCLOSURES (Contd.)

Loan portfolio	Fair valuation as at March 31, 2026*	Fair valuation as at March 31, 2025*
Monthly	27,704.83	44,260.75
Weekly	9,483.28	9,938.27
Total	**37,188.11**	**54,199.02**

*Fair value excluding interest accrued and EIR adjustment

Fair value measurement sensitivity to significant unobservable inputs as at the end of each reporting year is as follows:

	March 31, 2026	March 31, 2025
Impact on fair value if change in risk adjusted discount rate		
- Impact due to increase of 0.50 %	(201.00)	(234.80)
- Impact due to decrease of 0.50 %	202.50	236.30
Impact on fair value if change in probability of default (PD)		
- Impact due to increase of 0.50 %	(142.00)	(121.10)
- Impact due to decrease of 0.50 %	142.70	121.50
Impact on fair value if change in loss given default (LGD)		
- Impact due to increase of 0.50 %	(3.40)	(8.60)
- Impact due to decrease of 0.50 %	3.40	8.60

B.3B Investment in Security Receipts carried at fair value through other comprehensive income

For investment in Security Receipts, the Company has considered the Net Asset Value declared by the Trust.

B.3C Investment in equity instruments carried at fair value through other comprehensive income

For investment in equity instruments, the Company has assessed the fair value on the basis of using a market comparable book value multiple.

B.3D Investment in government securities carried at fair value through other comprehensive income

For investment in government securities, the Company has assessed the fair value on the basis of the closing price published by FBIL and are classified as level 1.

B.4 Fair value of instruments measured at amortised cost

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(i) The management assessed that fair values of the following financial instruments to be approximate their respective carrying amounts, largely due to the short-term maturities of these instruments - Cash and cash equivalents, Bank balances other than cash and cash equivalents, Trade receivables and Other receivables, Trade payables and Other payables, Other financial assets and liabilities.

(ii) Majority of the Company's borrowings are at a variable rate interest and hence their carrying values represent best estimate of their fair value as these are subject to changes in underlying interest rate indices.

(iii) The management assessed that fair values arrived by using the prevailing interest rates at the end of the reporting periods to be approximate their respective carrying amounts in case of the following financial instruments-Loans, Lease liabilities and Debt securities.

Notes Forming Part of Financial Statements

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(All amounts in ₹ millions, unless stated otherwise)

45. FINANCIAL RISK MANAGEMENT

Introduction and risk profile

The Company has operations in India. The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, receivables, loans, investments, financial assets measured at amortised cost	Ageing analysis	Bank deposits, diversification of asset base, and credit limits.
Liquidity risk	Payables, debt securities, borrowings, subordinated liabilities, and other financial liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - interest rate	Debt securities, borrowings, subordinated liabilities at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors
Operational risk	Inadequate or failed internal processes, people or systems, or from external events.	Internal Control System	Manages operational risks through comprehensive internal control systems and procedures
Compliance risk	Failure to comply with laws, regulations, rules, supervisory instructions and codes of conduct, etc., applicable to its business activities	Compliance framework	The Company has a strong compliance framework to ensure compliance standards are robust across all divisions of the Company

A Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, other bank balances, other receivables, loan assets, investments and other financial assets. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

A.1 Credit risk management

The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets -

(i) Low credit risk

(ii) Moderate credit risk

(iii) High credit risk

The Company provides for expected credit loss based on the following:

Asset group	Basis of categorisation	Provision for expected credit loss
Low credit risk	Cash and cash equivalents, other bank balances, other receivables, loans, investments and other financial assets	12 month expected credit loss
Moderate credit risk	Identified loans	Life time expected credit loss
High credit risk	Identified loans	Life time expected credit loss fully provided for

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a borrower become non contactable or in financial distress or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made subsequently are recognised in the statement of profit and loss.

Notes Forming Part of Financial Statements

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45. FINANCIAL RISK MANAGEMENT (Contd.)

A.2 Financial assets that expose the entity to credit risk

Particulars		As at March 31, 2026	As at March 31, 2025
(i)	**Low credit risk on financial reporting date**		
	Cash and cash equivalents	7,011.48	6,972.50
	Bank balances other than cash and cash equivalents	4,396.24	4,725.22
	Trade Receivables	253.63	221.12
	Other receivables	356.51	488.24
	Loans*	1,01,039.25	85,102.11
	Investments	4,058.30	3,543.42
	Other financial assets	1,939.39	1,058.83
(ii)	**Moderate credit risk**		
	Identified loans*	2,936.30	3,557.53
(iii)	**High credit risk**		
	Identified loans*	4,209.21	4,511.67

*These represent gross carrying values of financial assets, without deduction for expected credit losses

A.3 Management of credit risk for financial assets other than loans

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is considered to be very low as the Company only deals with high rated banks. The risk is also managed by diversifying bank deposits and accounts in different banks across the country.

Other receivables

The Company faces very low credit risk under this category as most of the transactions are entered with highly rated organisations and credit risk relating to these are managed by monitoring recoverability of such amounts continuously.

Other financial assets measured at amortised cost

Other financial assets measured at amortised cost includes advances to employees and security deposits. Credit risk related to these financial assets is managed by monitoring the recoverability of such amounts continuously.

A.4 Expected credit losses for financial assets other than loans

March 31, 2026	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	7,011.48	-	-	7,011.48
Bank balances other than above	4,396.24	-	-	4,396.24
Trade Receivables	253.63	-	-	253.63
Other receivables	494.93	-	138.42	356.51
Investments	4,058.30	-	-	4,058.30
Other financial assets	1,951.62	-	12.23	1,939.39

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45. FINANCIAL RISK MANAGEMENT (Contd.)

March 31, 2025	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	6,972.50	-	-	6,972.50
Bank balances other than above	4,725.22	-	-	4,725.22
Trade receivables	221.12	-	-	221.12
Other receivables	566.17	-	77.93	488.24
Investments	3,543.42	-	-	3,543.42
Other financial assets	1,074.99	-	16.16	1,058.83

A.5 Management of credit risk for loans

Credit risk on loans is the single largest risk of the Company’s business, and therefore the Company has developed several processes and controls to manage it. The Company is engaged in the business of providing unsecured micro finance facilities to women having limited source of income, savings and credit histories repayable in weekly or monthly instalments.

The Company duly complies with the RBI guidelines (‘Non-Banking Financial Company-Micro Finance Institutions’ (NBFC-MFIs - Directions) with regards to qualifying assets criteria, namely:

- Microfinance unsecured loans are given to an individual having annual household income up to ₹ 3,00,000
- Maximum FOIR (Fixed Obligation to Income Ratio) should be 50%

The credit risk on loans can be further bifurcated into the following elements:

(i) Credit default risk

(ii) Concentration risk

(i) Management of credit default risk:

a) Credit Risk Management for Joint Liability Group (JLG) Loans

Credit default risk is the risk of loss arising from a debtor being unlikely to pay the loan obligations in full or the debtor is more than 90 days past due on any material credit obligation. The Company majorly manages this risk by following “”joint liability mechanism”” wherein the loans are disbursed to borrowers who form a part of an informal joint liability group (“JLG”), generally comprising of five to forty five members. Each member of the JLG provide a joint and several guarantees for all the loans obtained by each member of the group.

In addition to this, there is set criteria followed by the Company to process the loan applications. Loans are generally disbursed to the identified target segments which include economically active women having regular cash flow engaged in the business such as small shops, vegetable vendors, animal husbandry business, tailoring business and other self-managed business. Out of the people identified out of target segments, loans are only disbursed to those people who meet the set criterion - both financial and non-financial as defined in the credit policy of the Company. Some of the criteria include - annual income, repayment capacity, multiple borrowings, age, group composition, health conditions, and economic activity etc. Some of the segments identified as non-target segments are not eligible for a loan. Such segments include - wine shop owners, political leaders, police & lawyers, individuals engaged in the business of running finance & chit funds and their immediate family member or people with criminal records etc.

b) Credit Risk Management for Non -Joint Liability Group (Non-JLG) Loans

Company provides other than Group Loans to its existing customers or Co-applicants with a minimum vintage of one cycle year and having proven track records. Loans are disbursed to those having a regular income

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45. FINANCIAL RISK MANAGEMENT (Contd.)

from existing business or service (Including agriculture and agri-allied sectors). The income shall be based on the independent assessment carried out by Credit team. A combo credit check for both the Applicant and Co-Applicant is also done.

(ii) Management of concentration risk:

Concentration risk is the risk associated with any single exposure or group of exposures with the potential to produce large enough losses to threaten Company's core operations. It may arise in the form of single name concentration or industry concentration. In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio in terms of geography and product. Identified concentration risks are controlled and managed accordingly.

A.5.1 Credit risk measurement - Expected credit loss measurement

Ind AS 109 outlines a "three stage" model for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial instrument that is not credit impaired on initial recognition and whose credit risk has not increased significantly since initial recognition is classified as "Stage 1".
- If a significant increase in credit risk since initial recognition is identified, the financial instrument is moved to "Stage 2" but is not yet deemed to be credit impaired.
- If a financial instrument is credit impaired, it is moved to "Stage 3".

ECL for depending on the stage of financial instrument:

- Financial instrument in Stage 1 have their ECL measured at an amount equal to expected credit loss that results from default events possible within the next 12 months.
- Instruments in Stage 2 or Stage 3 criteria have their ECL measured on lifetime basis.

A.5.2 Criteria for significant increase in credit risk

The Company considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative or qualitative criteria are met.

(i) Quantitative criteria

The remaining lifetime probability of default at the reporting date has increased, compared to the residual lifetime probability of default expected at the reporting date when the exposure was first recognised. The Company considers loan assets as Stage 2 when the default in repayment is within the range of 30 to 90 days.

(ii) Qualitative criteria

If other qualitative aspects indicate that there could be a delay/default in the repayment of the loans, the Company assumes that there is significant increase in risk and loan is moved to stage 2.

The Company considers the date of initial recognition as the base date from which significant increase in credit risk is determined.

A.5.3 Criteria for default and credit-impaired assets

The Company defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets the following criteria:

(i) Quantitative criteria

The Company considers loan assets as Stage 3 when the default in repayment has moved beyond 90 days.

(ii) Qualitative criteria

The Company considers factors that indicate unlikeliness of the borrower to repay the loan which include instances like the significant financial difficulty of the borrower, borrower deceased or breach of any financial covenants by the borrower etc

Notes Forming Part of Financial Statements

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45. FINANCIAL RISK MANAGEMENT (Contd.)

A.5.4 Measuring ECL - explanation of inputs, assumptions and estimation techniques

Expected credit losses are the discounted product of the probability of default (PD), exposure at default (EAD) and loss given default (LGD), defined as follows:

- PD represents the likelihood of the borrower defaulting on its obligation either over next 12 months or over the remaining lifetime of the instrument.
- EAD is based on the amounts that the Company expects to be owed at the time of default over the next 12 months or remaining lifetime of the instrument.
- LGD represents the Company's expectation of loss given that a default occurs. LGD is expressed in percentage and remains unaffected from the fact that whether the financial instrument is a Stage 1 asset, or Stage 2 or even Stage 3. However, it varies by type of borrower, availability of security or other credit support.

Probability of default (PD) computation model

The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

Loss given default (LGD) computation model

The loss rate is the likely loss intensity in case a borrower defaults. It provides an estimation of the exposure that cannot be recovered in the event of a default and thereby captures the severity of the loss. The loss rate is computed by factoring the main drivers for losses (e.g. joint group liability mechanism, historical recoveries trends etc.) and arriving at the replacement cost.

A.6 Credit risk exposure

Particulars	As at March 31, 2026			
	Stage 1	Stage 2	Stage 3	Total
Category 1	25,385.96	1,201.47	1,815.20	**28,402.63**
Category 2	23,433.07	978.74	1,209.16	**25,620.97**
Category 3	11,338.13	325.96	396.95	**12,061.04**
Category 4	11,566.08	202.74	318.26	**12,087.08**
Category 5	22,700.21	0.32	3.60	**22,704.13**
Category 6	544.97	0.54	21.85	**567.36**
Category 7	6,066.66	225.12	437.18	**6,728.96**
Category 8	4.17	1.41	7.01	**12.59**
Gross carrying amount	**1,01,039.25**	**2,936.30**	**4,209.21**	**1,08,184.76**
Loss allowance	953.57	255.44	3,011.05	**4,220.06**
Net Carrying amount	**1,00,085.68**	**2,680.86**	**1,198.16**	**1,03,964.70**

Category 1 - Income Generating Loans - Cycle 1

Category 2 -Income Generating Loans - Cycle 2

Category 3 - Income Generating Loans - Cycle 3

Category 4 -Income Generating Loans - Cycle 4 and higher cycle

Category 5 - Unsecured Individual loans

Category 6 - Corporate loans, Loan against property and gold loan

Category 7 - Other microfinance loans unsecured

Category 8 - Third Party product loans

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45. FINANCIAL RISK MANAGEMENT (Contd.)

Particulars	As at March 31, 2025			
	Stage 1	Stage 2	Stage 3	Total
Category 1*	34,494.27	775.17	848.97	36,118.41
Category 2#	50,607.84	2,782.36	3,662.70	57,052.90
Gross carrying amount	**85,102.11**	**3,557.53**	**4,511.67**	**93,171.31**
Loss allowance	1,367.17	1,094.19	3,308.04	5,769.40
Net Carrying amount	**83,734.94**	**2,463.34**	**1,203.63**	**87,401.91**

* The Company categorises loans disbursed to Kerala and Tamil Nadu under category 1.

The Company categorises loans disbursed to other than Kerala and Tamil Nadu under category 2.

A.6.1 Refinement in Expected Credit Loss (ECL) Methodology

During the year, the Company refined its Expected Credit Loss ("ECL") model and updated the related ECL Policy pursuant to recommendations arising from the Company's credit risk assessment framework. The revised ECL Policy, incorporating the refined methodology and model changes was approved by the Audit Committee on March 20, 2025 and became effective from April 01, 2025.

The revised ECL framework incorporates enhanced portfolio segmentation, refined Probability of Default ("PD") and Loss Given Default ("LGD") methodologies, and updated forward-looking macroeconomic adjustments. The changes were undertaken to better align the ECL model with the requirements of Ind AS 109, regulatory expectations and the Company's internal risk management practices. The revised framework was independently reviewed and validated by external experts.

Under the revised methodology, the Company transitioned from a geography-based segmentation approach to a borrower cycle-based segmentation approach comprising IGL Cycle 1, IGL Cycle 2, IGL Cycle 3 and IGL Cycle 4 & above, including consideration of secured, unsecured, third-party and restructured loan portfolios, where relevant. The borrower cycle-based segmentation reflects the differentiated credit behaviour and relatively improved creditworthiness associated with repeat borrowers across successive loan cycles.

The Company continues to consider forward-looking macroeconomic information in the determination of ECL. The revised framework incorporates macroeconomic variables such as GDP growth, inflation, unemployment and per capita income, with appropriate scenario-based weighting under baseline, upside and downside economic conditions. The Company has used historical and forecasted macroeconomic data obtained from publicly available sources, including the International Monetary Fund (IMF), for assessing the impact of macroeconomic factors on default behaviour.

Further, the Company has refined the estimation methodology for PD and LGD. The PD framework explicitly defines Stage 1 exposures using a 12-month PD approach and Stage 2 exposures using lifetime PD estimates, while Stage 3 exposures continue to carry 100% PD. The LGD methodology has also been enhanced through the incorporation of actual recovery trends and discounted cash flow techniques from the date of NPA recognition.

The inputs, assumptions and models used for estimating ECL are reviewed and recalibrated periodically based on available historical experience, current conditions and forward-looking information. Management believes that the revised ECL methodology results in a more robust and representative assessment of credit impairment in the loan portfolio.

A.7 Loss allowance

The loss allowance recognised in the period is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent "step up" (or "step down") between 12-month and Lifetime ECL.
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models

Notes Forming Part of Financial Statements

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45. FINANCIAL RISK MANAGEMENT (Contd.)

- Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period

The following table further explains changes in the gross carrying amount of the Loan portfolio to help explain their significance to the changes in the loss allowance for the same portfolio as discussed above:

Gross amount	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12 months ECL	**Lifetime ECL**	**Lifetime ECL**	
Balance as at April 1, 2024	**91,433.39**	**1,044.98**	**2,207.89**	**94,686.26**
New assets originated	84,611.39	2,096.67	1,517.53	**88,225.59**
Assets derecognised or repaid (excluding write offs)	(82,141.80)	(371.27)	(4,967.69)	**(87,480.76)**
Transfers to Stage 1	83.07	(31.62)	(51.45)	**-**
Transfers to Stage 2	(1,763.94)	1,764.09	(0.15)	**-**
Transfers to Stage 3	(8,041.16)	(945.32)	8,986.48	**-**
Amounts written off	-	-	(3,180.94)	**(3,180.94)**
Change in fair value of loan assets	921.16	-	-	**921.16**
Balance as at March 31, 2025	**85,102.11**	**3,557.53**	**4,511.67**	**93,171.31**

Gross amount	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12 months ECL	**Lifetime ECL**	**Lifetime ECL**	
Balance as at April 01, 2025	**85,102.11**	**3,557.53**	**4,511.67**	**93,171.31**
New assets originated	93,736.60	676.54	156.39	**94,569.53**
Assets derecognised or repaid (excluding write offs)	(72,109.06)	(1,012.37)	(3,522.18)	**(76,643.61)**
Transfers to Stage 1	32.94	(29.78)	(3.16)	**-**
Transfers to Stage 2	(2,369.89)	2,373.50	(3.61)	**-**
Transfers to Stage 3	(3,522.14)	(2,629.12)	6,151.26	**-**
Amounts written off	-	-	(3,081.16)	**(3,081.16)**
Change in fair value of loan assets	168.69	-	-	**168.69**
Balance as at March 31, 2026	**1,01,039.25**	**2,936.30**	**4,209.21**	**1,08,184.76**

The following tables explain the changes in the loss allowance between the beginning and the end of the annual period due to these factors:

Loss allowance	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12 months ECL	**Lifetime ECL**	**Lifetime ECL**	
Balance as at April 01, 2024	**509.41**	**11.10**	**1,302.14**	**1,822.65**
New assets originated	547.61	33.61	714.23	**1,295.45**
Assets derecognised or repaid (excluding write offs)	(223.82)	(0.47)	11.13	**(213.16)**
Transfers to Stage 1	0.94	(0.08)	(0.86)	**-**
Transfers to Stage 2	(21.35)	21.52	(0.17)	**0.00**
Transfers to Stage 3	(33.89)	(0.79)	34.68	**-**
Impact of ECL on exposures transferred between stages	(0.93)	(7.57)	1,856.34	**1,847.84**

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45. FINANCIAL RISK MANAGEMENT (Contd.)

Loss allowance	Stage 1	Stage 2	Stage 3	Total
	12 months ECL	Lifetime ECL	Lifetime ECL	
Changes to models and inputs used for ECL calculation	(102.46)	(9.60)	10.33	**(101.73)**
Amounts written off	-	-	(1,178.18)	**(1,178.18)**
Balance as at March 31, 2025	**675.51**	**47.72**	**2,749.64**	**3,472.87**
Additional credit loss provided by Management (refer note A.7.1)	691.66	1,046.47	558.40	**2,296.53**
Provision as per books	**1,367.17**	**1,094.19**	**3,308.04**	**5,769.40**

Loss allowance	Stage 1	Stage 2	Stage 3	Total
	12 months ECL	Lifetime ECL	Lifetime ECL	
Balance as at April 01, 2025	**1,367.17**	**1,094.19**	**3,308.04**	**5,769.40**
New assets originated	751.35	45.71	80.38	**877.44**
Assets derecognised or repaid (excluding write offs)	(1,106.09)	(1,058.06)	(2,660.84)	**(4,824.99)**
Transfers to Stage 1	2.30	(0.66)	(1.64)	**-**
Transfers to Stage 2	(23.01)	24.88	(1.87)	**-**
Transfers to Stage 3	(30.29)	(34.97)	65.26	**-**
Impact of ECL on exposures transferred between stages	(1.77)	707.11	2,601.30	**3,306.64**
Changes to models and inputs used for ECL calculation	(6.09)	(522.76)	25.37	**(503.48)**
Amounts written off	-	-	(404.95)	**(404.95)**
Balance as at March 31, 2026	**953.57**	**255.44**	**3,011.05**	**4,220.06**

A.7.1 Management Overlay

During 2024–25, the Company has created a management overlay of ₹ 2,296.53 million, which include ₹ 971.21 million as general overly and ₹ 1,325.32 million for Karnataka impact due to the implementation of Karnataka Micro Loan and Small Loan (Prevention of Coercive Actions) Ordinance, 2025 in Q4 last financial year. The Company has consumed the overly in current year, for the intended purpose.

Considering the stable portfolio performance in current year with respect to customer behavior and collection efficiency and the policy level change in terms of ECL, it is decided that a separate management overlay is no longer necessary.

The overlay mode and amount is as highlighted below:-

Particulars	As at March 31, 2026	As at March 31, 2025
Karnataka related impact	-	1,325.32
General Impact	-	971.21
Total Overlay	**-**	**2,296.53**

A.7.2 In respect of loans granted by the Company -

i) The schedule of repayment of principal and payment of interest has been duly stipulated and the repayments of principal amounts and receipts of interest have generally been regular as per repayment schedules except for 454,152 cases having loan outstanding balance at year end aggregating to ₹ 9,076.27 million wherein the repayments of principal and interest are not regular; and

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45. FINANCIAL RISK MANAGEMENT (Contd.)

ii) The total amount overdue for more than 90 days as at the balance sheet date are ₹ 2,144.18 million (Principal amount ₹ 1,755.89 million and Interest amount ₹ 388.29 million) for 269,883 cases. Necessary steps are being taken by the Company for recovery thereof.

A.8 Concentration of credit risk

The Company monitors concentration of credit risk by type of industry in which the borrower operates, further bifurcated into type of borrower, whether state or private.

Industry	As at March 31, 2026	As at March 31, 2025
Gross carrying amount of loans	**1,08,184.76**	**93,171.31**
Concentration by industry		
1. Agriculture and Allied Activities	46,324.92	47,331.96
2. Industry		
Manufacturing (Including MSME)	8,761.56	6,170.22
Trading (Including MSME)	10,547.94	9,810.38
3. Services	41,970.31	29,365.12
4. Personal Loans		
Consumption	12.59	274.05
Education	-	0.75
Others	0.75	124.20
5. Others		
Corporate Loan	101.99	94.63
Loan Against Property	464.70	-
	1,08,184.76	**93,171.31**
Concentration by Geography		
Loans disbursed in Kerala and Tamil Nadu	45,224.03	36,118.41
Loans disbursed outside Kerala and Tamil Nadu	62,960.73	57,052.90
Gross Carrying Amount	**1,08,184.76**	**93,171.31**

A.9 Write off policy

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery.

Indicators that there is no reasonable expectation of recovery include:

- No effective communication with the borrower despite repeated attempts for over six months
- Legal proceedings pending for over six months with remote recovery prospects
- Continuation of recovery efforts is not cost-effective
- Specific identification by Management

The outstanding contractual amounts of such assets written off during the year ended March 31, 2026 was ₹ 3,116.00 million (March 31, 2025: ₹ 3,320.42 million). These loans were identified through vintage analysis, borrower business discontinuation and multiple lender exposures with negligible recovery prospects. The Company continues to pursue recovery through its established recovery mechanism including legal proceedings, field collection efforts, and one-time settlement negotiations, in line with regulatory guidelines.

B Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due. Management monitors

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45. FINANCIAL RISK MANAGEMENT (Contd.)

rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

B.1 Maturities of financial liabilities

The tables below analyse the Company financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

March 31, 2026	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**More than 5 years**	**Total**
Trade Payables	166.46	5.23	25.81	-	197.50
Other payables	16.25	-	-	-	16.25
Debt securities	1,221.50	2,065.26	8,916.23	-	12,202.99
Borrowings (other than debt securities)	16,922.47	39,373.11	35,098.80	-	91,394.38
Finance lease obligation*	492.71	1,478.11	1,324.05	481.43	3,776.30
Other financial liabilities	446.64	310.71	0.12	-	757.47
Total	**19,266.02**	**43,232.43**	**45,365.01**	**481.43**	**1,08,344.88**

March 31, 2025	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**More than 5 years**	**Total**
Derivative financial instruments	-	-	76.86	-	76.86
Trade Payables	186.74	3.51	-	-	190.25
Other payables	6.48	-	-	-	6.48
Debt securities	1,025.89	2,276.06	3,103.99	-	6,405.94
Borrowings (other than debt securities)	14,225.12	34,352.11	33,886.13	-	82,463.36
Finance lease obligation*	99.82	299.46	1,400.39	685.17	2,484.84
Other financial liabilities	367.22	327.90	62.78	-	757.90
Total	**15,911.27**	**37,259.04**	**38,530.15**	**685.17**	**92,385.63**

*Contractual maturities of financial lease obligation are on undiscounted basis.

C Market risk - Interest rate risk

C.1 Liabilities

The Company's policy is to minimize interest rate cash flow risk exposures on long-term financing. The Company is exposed to changes in market interest rates through borrowings at variable interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

Particulars	**March 31, 2026**	**March 31, 2025**
Debt securities		
Variable rate	-	-
Fixed rate	10,426.10	5,636.63
Borrowings (other than debt securities)		
Variable rate	56,489.56	47,916.82
Fixed rate	28,557.29	25,710.76

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45. FINANCIAL RISK MANAGEMENT (Contd.)

Sensitivity

Below is the sensitivity of profit or loss in interest rates.

Particulars	March 31, 2026	March 31, 2025
Interest sensitivity*		
Interest rates – increase by 50 basis points	(282.45)	(239.58)
Interest rates – decrease by 50 basis points	282.45	239.58

* Holding all other variables constant

As at the end of the reporting year, the Company had the following cross currency interest rate swap contracts outstanding:

Particulars	March 31, 2026			March 31, 2025		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Cross Currency Interest Rate Swaps	10.21%	13,946.55	16.40%	10.43%	11,918.92	16.19%

C.2 Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. The Company's loan assets are at fixed interest rate. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

C.3 Foreign Exchange Rate Risk

In the normal course of its business, the Company does not deal in foreign exchange in a significant way. Any foreign exchange exposure on account of foreign exchange borrowings is fully hedged to safeguard against exchange rate risk. The Company's treasury risk management policy covers the framework for managing currency risk including hedging. The Company determines hedge effectiveness for hedging instrument at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed.

Exposure to currency risks

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. The Company's exposure to the risk of changes in foreign exchange rates relates primary to the foreign currency borrowings taken from banks and External Commercial Borrowings (ECB).

In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as cross currency interest rate swaps and forwards contracts are entered to hedge certain foreign currency risk exposures and variable interest rate exposures, the Company's central treasury department identifies, evaluates and hedges financial risks in close co- operation with the Company's operating units.

The Company follows a conservative policy of hedging its foreign currency exposure through Forwards and/or Cross Currency Interest Rate Swaps in such a manner that it has fixed determinate outflows in its functional currency and as such there would be no significant impact of movement in foreign currency rates on the Company's profit before tax (PBT) and equity.

Particulars	Amount Outstanding	
	In ₹	In USD
Borrowing as on March 31, 2026	**13,946.55**	**161.33**
Borrowing as on March 31, 2025	**11,918.92**	**154.67**

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45. FINANCIAL RISK MANAGEMENT (Contd.)

Since the Company has entered into derivative transaction to hedge this borrowing, the Company is not exposed to any currency risk on this borrowing.

C.4 Hedging activities and derivatives

Derivatives designated as hedging instruments

The foreign currency and interest rate risk on borrowings have been actively hedged through cross currency interest rate swaps.

The Company is exposed to interest rate risk arising from its foreign currency borrowings amounting to USD 161.33 million . (March 31, 2025 USD 154.67 million). Interest on the borrowing is payable at a floating rate linked to SOFR. The Company hedged the interest rate risk arising from the debt with a 'receive floating pay fixed' cross currency interest rate swap.

The Company uses Cross Currency Interest Rate Swaps (IRS) Contracts (Floating to Fixed) to hedge its risks associated with interest rate and currency fluctuations arising from external commercial borrowings. The Company designates such contracts in a cash flow hedging relationship by applying the hedge accounting principles as per IND AS. These contracts are stated at fair value at each reporting date.

The Company uses Critical Terms Matching to determine Hedge effectiveness. If the hedge is ineffective, then the movement in the Fair Value is charged to the Statement of Profit and Loss. If the hedge is effective, the movement in the Fair Value of the underlying and the derivative instrument is transferred to "Other Comprehensive Income" in Other Equity.

There is an economic relationship between the hedged item and the hedging instrument as the critical terms of the Cross Currency Interest Rate Swaps match that of the foreign currency borrowings (notional amount, interest payment dates, principal repayment date etc.). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the Cross currency interest rate swaps are identical to the hedged risk components.

Particulars	March 31, 2026	March 31, 2025
Notional amount	13,510.20	12,864.52
Carrying amount - Asset/(Liability)	(15,369.68)	(13,199.42)
Line item in the statement of financial position	Derivative financial instrument	
Change in fair value used for measuring ineffectiveness for the year	-	-

Impact of hedging item	March 31, 2026	March 31, 2025
Change in fair value	1,826.45	(76.86)
Cash flow hedge reserve	27.39	(319.09)
Fair value change charged in Statement of Profit & Loss	-	-

The reconciliation of cash flow hedge reserve for the years ended March 31, 2026 and March 31, 2025 are as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Cash flow hedge reserve at the beginning of the year	(319.09)	-
Gain/(loss) recognised in OCI during the year	463.01	(426.41)
Less:Tax impact on the above	(116.53)	107.32
Amount classified to Profit/loss account	-	-
Cash flow hedge reserve at the end of the year	27.39	(319.09)

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45. FINANCIAL RISK MANAGEMENT (Contd.)

The below table shows the details of the derivative instruments held by the Company:

Particulars	As at March 31, 2026	As at March 31, 2025
Derivatives designated as cash flow hedges:		
(i) Cross currency interest rate swaps	(1,826.45)	76.86
(ii) Other derivatives	-	-
Total derivative financial instrument	**(1,826.45)**	**76.86**

D Operational Risk

Operational risk is the risk arising from inadequate or failed internal processes, people or systems, or from external events. The Company manages operational risks through comprehensive internal control systems and procedures laid down around various key activities in the Company viz. loan acquisition, customer service, IT operations, finance function etc. This enables the Management to evaluate key areas of operation risks and the process to adequately mitigate them on an ongoing basis.

E Compliance Risk

Compliance Risk is the risk of legal or regulatory sanctions, penalties, material financial loss or damage to reputation an entity may suffer as a result of its failure to comply with laws, regulations, rules, supervisory instructions and codes of conduct, etc., applicable to its business activities. The Company has a strong compliance framework to ensure compliance standards are robust across all divisions of the Company.

46 CAPITAL MANAGEMENT

The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

As an NBFC-MFI, the RBI requires us to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of our aggregate risk weighted assets. Further, the total of our Tier II capital cannot exceed 100% of our Tier I capital at any point of time. The Capital management process of the Company ensures to maintain to healthy CRAR at all the time. (refer note 54 (xvi)).

The Company has a board approved treasury policy, which states that the treasury of the Company shall be based on the Asset Liability Management (ALM) requirement. The policy also covers the objectives of the regulatory requirement and prescribes the sources of funds, threshold for mix from various sources, tenure, manner of raising the funds etc.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure the Company may issue new shares, or sell assets to reduce debt.

For the purpose of the Company's capital management, capital includes equity share capital and other equity. Net debt includes term loans from banks and financial institutions and debentures including interest accrued, netted with cash and cash equivalents and bank balances other than cash and cash equivalents. The Company monitors capital on the basis of the following debt to equity ratio/gearing ratio.

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46 CAPITAL MANAGEMENT (Contd.)

A Net Debt Equity ratio

Particulars	March 31, 2026	March 31, 2025
Debt securities	10,426.10	5,636.63
Borrowings (other than debt securities)	85,046.85	73,627.58
Total borrowings	**95,472.95**	**79,264.21**
Less:		
Cash and cash equivalents	7,011.48	6,972.50
Bank balances other than cash and cash equivalents	4,396.24	4,725.22
	11,407.72	11,697.72
Net debt	**84,065.23**	**67,566.49**
Equity share capital	1,677.67	1,675.97
Other equity	26,865.45	24,646.30
Total equity	**28,543.12**	**26,322.27**
Net debt to equity ratio/gearing ratio	**2.95**	**2.57**

47 SHARE BASED PAYMENTS

The Company has implemented Employee Stock Option Plan under Muthoot Microfin Employee Stock Option Plan 2016 (“ESOP 2016”) and Muthoot Microfin Limited Employee Stock Option Plan 2022 (“ESOP 2022”). The objective is to reward employees for their association with the Company, their performance as well as to attract, retain and motivate employees to contribute to the growth and profitability of the Company. The Trust is consolidated in the financial statements of the Company.

Details of Employees Stock Option Plan 2016:

Particulars	Grant -1	Grant -2	Grant -3	Grant -4
Date of grant	December 05, 2016	February 22, 2018	November 09, 2021	August 10, 2023
Date of Board Meeting, where ESOP was approved	December 05, 2016			
Date of Committee Meeting where grant of options were approved	December 05, 2016	February 22, 2018	November 08, 2021	August 10, 2023
No. of options granted	15,14,864 options (Including 99,250 options lapsed/cancelled due to resignation of employees). Total ESOP 2016 is 14,15,614 shares.			
Method of settlement	Equity			
Vesting conditions	The actual vesting of options will depend on continuation to hold the services being provided to the Company at the time of exercise of options and such other conditions as mentioned in the ESOP Scheme.			
Vesting period	Option will be vested at the End of year 1: 25% from the grant of option End of year 2 : 25% from the grant of option End of year 3 : 25% from the grant of option End of year 4 : 25% from the grant of option			
Exercise period	Vested Options can be exercised by the employees by giving in writing on or prior to a Liquidity event (Liquidity event means Listing of shares on any recognised stock exchange in India; or Any other event, which the Committee may designate as a Liquidity Event)			
Pricing Formula	The market price was in accordance with the valuation of a registered valuer.			

Notes Forming Part of Financial Statements

for the year ended March 31, 2026
(All amounts in ₹ millions, unless stated otherwise)

47 SHARE BASED PAYMENTS (Contd.)

Details of Employees Stock Option Plan 2022:

Particulars	Grant -1	Grant -2
Date of grant	November 04, 2022	August 10, 2023
Date of Board Meeting, where ESOP was approved	November 04, 2022	
Date of Committee Meeting where grant of options were approved	November 04, 2022	August 10, 2023
No. of options granted	27,02,647 options (Including 36,000 options lapsed/ cancelled due to resignation). Total ESOP 2022 is 26,66,647 shares.	
Method of settlement	Equity	
Vesting conditions	The actual vesting of options will depend on continuation to hold the services being provided to the Company at the time of exercise of options and such other conditions as mentioned in the ESOP Scheme.	
Vesting period	Option will be vested at the End of year 1: 25% from the grant of option End of year 2 : 25% from the grant of option End of year 3 : 25% from the grant of option End of year 4 : 25% from the grant of option	
Exercise period	Vested Options can be exercised by the employees by giving in writing on or prior to a Liquidity event (Liquidity event means Listing of shares on any recognised stock exchange in India; or Any other event, which the Committee may designate as a Liquidity Event)	
Pricing Formula	The market price was in accordance with the valuation of a registered valuer.	

Details of grant and exercise of such options are as follows:

Particulars	ESOP 2016							
	Grant – 1		Grant – 2		Grant – 3		Grant – 4	
No. of options granted	**6,65,000**		2,99,000		4,79,864		71,000	
Date of grant of options	December 05, 2016		February 22, 2018		November 09, 2021		August 10, 2023	
No. of employee to whom such options were granted	4		62		37		13	
Reporting year	**2025-26**	**2024-25**	**2025-26**	**2024-25**	**2025-26**	**2024-25**	**2025-26**	**2024-25**
Exercise Price*	14.00		67.00		77.20		197.00	
No. of employees who have exercised the option during the year	-	1	8	30	9	20	-	-
No. of options exercised	-	7,500	12,500	75,750	1,18,250	1,35,250	-	-

Notes Forming Part of Financial Statements

for the year ended March 31, 2026
(All amounts in ₹ millions, unless stated otherwise)

47 SHARE BASED PAYMENTS (Contd.)

	ESOP 2022			
Particulars	**Grant -1**		**Grant -2**	
No. of options granted	24,65,500		2,37,147	
Date of grant of options	November 04, 2022		August 10, 2023	
No. of employee to whom such options were granted	106		13	
Reporting year	2025-26	2024-25	2025-26	2024-25
Exercise Price*	151		197.00	
No. of employees who have exercised the option during the year	4	41	1	-
No. of options exercised	18,387	1,11,625	20,000	-

*Based on the valuation of a registered valuer. As per ESOP 2016, exercise price shall be equal to the fair market value as on the date of grant of options.

Summary of options granted under the plan:

Particulars	March 31, 2026		March 31, 2025	
	No. of options	Weighted average exercise price (₹)	No. of options	Weighted average exercise price (₹)
Outstanding options at the beginning of the year	27,44,136	148.81	32,14,761	143.76
Granted during the year	-	-	-	-
Forfeited/Lapsed during the year	6,500	66.69	1,40,500	152.01
Exercised during the year	1,69,137	98.61	3,30,125	98.31
Outstanding options at the end of the year	25,68,499	152.32	27,44,136	148.81
Shares Not Granted Under ESOP Plan at the end of the year	1,57,000		1,50,500	
Number of equity shares of ₹10 each fully paid up to be issued on exercise of option	27,25,499		28,94,636	
Exercisable at the end of the year	18,50,801		12,75,810	

Share options outstanding at the end of the year having the following expiry date and exercise price:

Grant	Grant Date	Expiry date	Exercise price ₹	Share options March 31, 2026	Share options March 31, 2025
Grant 1 ESOP 2016	December 05, 2016	June 04, 2021	14.00	-	-
Grant 2 ESOP 2016	February 22, 2018	February 22, 2022	67.00	-	19,000
Grant 3 ESOP 2016	November 09, 2021	November 08, 2025	77.20	1,18,364	2,36,614
Grant 4 ESOP 2016	August 10, 2023	August 09, 2027	197.00	51,500	51,500
Grant 1 ESOP 2022	November 04, 2022	November 03, 2026	151.00	21,86,488	22,04,875
Grant 2 ESOP 2022	August 10, 2023	August 09, 2027	197.00	2,12,147	2,32,147
Total				**25,68,499**	**27,44,136**
Weighted average remaining contractual life of options outstanding at the end of the year (in years)				0.65	1.58

The Company has ₹ 292.11 million (March 31, 2025: ₹ 312.11 million) recoverable from Muthoot Welfare Trust pursuant to ESOP schemes.

Notes Forming Part of Financial Statements

for the year ended March 31, 2026

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47 SHARE BASED PAYMENTS (Contd.)

The fair value of the options was estimated on the date of grant using the Black-Scholes model with the following significant assumptions:

Particulars	Grant 1 ESOP 2016	Grant 2 ESOP 2016	Grant 3 ESOP 2016	Grant 4 ESOP 2016	Grant 1 ESOP 2022	Grant 2 ESOP 2022
Vesting period	4 years	4 years	4 years	4 years	4 years	4 years
Exercise price	14.00	67.00	77.20	197.00	151.00	197.00
Expected volatility (%)*	56.49%	49.98%	50.53%	51.09%	52.28%	51.09%
Expected option life (in years)	6.25	6.25	5.00	5.01	5.00	5.01
Expiry date	June 04, 2021	February 22, 2022	November 08, 2025	August 09, 2027	November 03, 2026	August 09, 2027
Share price at grant date	18.50	66.69	77.20	196.70	150.96	196.70
Expected dividends yield	-	-	-	-	-	-
Risk free interest rate	6.29%	7.58%	5.67%	7.03%	7.34%	7.03%

*The expected volatility was determined based on the annualised standard deviation of the continuously compounded rates of return on the comparable stocks over a period of time.

Number of options granted during the period - Nil (Previous year - Nil)

48 OPERATING SEGMENTS

The Company is primarily engaged in business of micro finance and the business activity falls within one operating segment, as this is how the chief operating decision maker of the Company looks at the operations. All activities of the Company revolve around the main business. Hence, the disclosure requirement of Indian Accounting Standard 108 of “Segment Reporting” is not considered applicable.

49 TRANSFER OF FINANCIAL ASSETS

Transferred financial assets that are derecognised in their entirety

During the year ended March 31, 2026, the Company has sold some loans and advances measured at fair value through other comprehensive income as per assignment deals, as a source of finance. As per the terms of these deals, since substantial risks and rewards related to these assets were transferred to the buyer, the assets have been derecognised from the Company’s balance sheet.

The Company has assessed the business model under Ind AS 109 “”Financial Instruments”” and consequently, the financial assets are measured at fair value through other comprehensive income.

The gross carrying value of the loan assets derecognised during the year ended March 31, 2026 amounts to ₹ 15,516.63 million (March 31, 2025: ₹ 18,463.91 million) and the gain from derecognition during the year ended March 31, 2026 amounts to ₹ 1,270.53 million (March 31, 2025: ₹ 1,379.65 million)

Transferred financial assets that are not derecognised in their entirety

In the course of its micro finance or lending activity, the Company makes transfers of financial assets, where legal rights to the cash flows from the asset are passed to the counterparty and where the Company retains the rights to the cash flows but assumes a responsibility to transfer them to the counterparty.

Securitisation	As at March 31, 2026	As at March 31, 2025
Carrying value and fair value of securitised assets	19,582.44	10,241.70
Carrying value and fair value of associated liabilities	19,782.47	11,344.08

Notes Forming Part of Financial Statements

for the year ended March 31, 2026
(All amounts in ₹ millions, unless stated otherwise)

50 A. REVENUE FROM CONTRACTS WITH CUSTOMERS

Set out below is the disaggregation of the Company's revenue from contracts with customers and reconciliation to profit and loss account:

	For the Year Ended March 31, 2026	For the Year Ended March 31, 2025
Type of service		
Commission income	948.72	973.04
	948.72	**973.04**
Geographical markets		
India	948.72	973.04
Outside India	-	-
	948.72	**973.04**
Timing of revenue recognition		
Services transferred over time	21.27	233.41
Services transferred at a point in time	927.45	739.63
	948.72	**973.04**

Contract balances

	As at March 31, 2026	As at March 31, 2025
Trade receivables	253.63	221.12
	253.63	**221.12**

Revenue recognised in the period from:

Amounts included in contract liability at the beginning of the year

Performance obligations satisfied in previous years

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. During the year ended March 31, 2026 an amount of ₹ Nil (March 31, 2025: ₹ Nil) was recognised as provision for expected credit loss on trade receivable.

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

	For the Year Ended March 31, 2026	For the Year Ended March 31, 2025
Revenue as per contract	948.72	973.04
Adjustments	-	-
Revenue from contract with customers	**948.72**	**973.04**

Revenue recognition for contract with customers - Commission income:

The Contract with customers through which the Company earns a commission income includes the following promises:

(i) Sourcing of loans

(ii) Servicing of loans

Both these promises are separable from each other and do not involve significant integration. Therefore, these promises constitute separate performance obligations.

No allocation of the consideration between both the promises was required as the management believes that the contracted price are close to the standalone fair value of these services.

Revenue recognition for both the promises:

(i) Sourcing of loans: The consideration for this service is arrived based on an agreed percentage/fee on the loans disbursed during the year. Revenue for sourcing of loans shall be recognised as and when the loans are disbursed. The revenue therefore, for this service, shall be recognised based on the disbursements actually made during each year.

Notes Forming Part of Financial Statements

for the year ended March 31, 2026
(All amounts in ₹ millions, unless stated otherwise)

50 A. REVENUE FROM CONTRACTS WITH CUSTOMERS (Contd.)

(ii) Servicing of loans: The consideration for this service is arrived based on an agreed percentage on the actual collections during the year. The Company receives servicing commission only on actual collections. Revenue for servicing of loans shall be recognised over a period of time, as the customer benefits from the services as and when it is delivered by the Company. However, since the Company has a right to consideration from a customer in an amount that corresponds directly with the value of service provided to date, applying the practical expedient available under the standard, the Company shall recognise revenue for the amount to which it has a right to invoice.

B. Details of segment wise income from insurance partners as required by Insurance Regulatory and Development Authority of India (IRDAI) are as below:

		For the Year Ended March 31, 2026	For the Year Ended March 31, 2025
(i)	**Income from insurance intermediation**		
	Commission income - Life insurance	615.14	162.80
	Commission income - General insurance	32.33	7.87
(ii)	**Other income/reimbursement of cost**	-	-
		647.47	**170.67**

51 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled. They have been classified to mature and/or be repaid within 12 months or after 12 months. With regard to loans and advances to customers, the Company uses the same basis of expected repayment as used for estimating the Effective Interest Rate (EIR).

Particulars	March 31, 2026			March 31, 2025		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	7,011.48	-	**7,011.48**	6,972.50	-	**6,972.50**
Bank balances other than cash and cash equivalents	2,766.05	1,630.19	**4,396.24**	3,523.80	1,201.42	**4,725.22**
Trade Receivables	253.63	-	**253.63**	221.12	-	**221.12**
Other receivables	356.51	-	**356.51**	487.15	1.09	**488.24**
Loans	58,686.39	45,278.31	**1,03,964.70**	53,974.30	33,427.61	**87,401.91**
Investments	-	4,058.30	**4,058.30**	-	3,543.42	**3,543.42**
Derivative financial instruments	218.50	1,607.95	**1,826.45**			
Other financial assets	1,761.77	177.62	**1,939.39**	942.37	116.46	**1,058.83**
Non-financial assets						
Current tax assets (net)	-	355.60	**355.60**	-	802.17	**802.17**
Deferred tax asset (net)	-	480.84	**480.84**	-	938.19	**938.19**
Property, plant and equipment	-	693.13	**693.13**	-	767.73	**767.73**
Right of use assets	-	1,295.08	**1,295.08**	-	1,456.84	**1,456.84**
Other intangible assets	-	4.41	**4.41**	-	1.67	**1.67**
Other non-financial assets	174.94	37.35	**212.29**	190.36	2.12	**192.48**
Total	**71,229.27**	**55,618.78**	**1,26,848.05**	**66,311.59**	**42,258.73**	**1,08,570.33**

Notes Forming Part of Financial Statements

for the year ended March 31, 2026
(All amounts in ₹ millions, unless stated otherwise)

51 MATURITY ANALYSIS OF ASSETS AND LIABILITIES (Contd.)

Particulars	March 31, 2026			March 31, 2025		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
LIABILITIES						
Financial liabilities						
Derivative financial instruments	-	-	**-**	-	76.86	**76.86**
Payables						
Trade Payables						
total outstanding dues to micro enterprises and small enterprises	0.21	-	**0.21**	-	-	**-**
total outstanding dues to creditors other than micro enterprises and small enterprises	171.48	25.81	**197.29**	190.25	-	**190.25**
Other payables						
total outstanding dues to creditors other than micro enterprises and small enterprises	16.25	-	**16.25**	6.48	-	**6.48**
Debt securities	2,318.52	8,107.58	**10,426.10**	2,894.92	2,741.71	**5,636.63**
Borrowings (other than debt securities)	50,460.53	34,586.32	**85,046.85**	42,709.07	30,918.51	**73,627.58**
Lease liability	380.92	1,218.61	**1,599.53**	379.04	1,370.19	**1,749.24**
Other financial liabilities	757.35	0.12	**757.47**	695.12	62.78	**757.90**
Non financial liabilities						
Provisions	-	157.83	**157.83**	-	111.76	**111.76**
Other non financial liabilities	103.40	-	**103.40**	91.25	-	**91.25**
Total	**54,208.66**	**44,096.27**	**98,304.93**	**46,966.13**	**35,281.81**	**82,247.94**

52 RECONCILIATION OF LIABILITIES FROM FINANCING ACTIVITIES

	As at April 01, 2025	Cash flow		Non-cash				As at March 31, 2026
		Additions	Payment	Interest Expense	Forex (Gain)/Loss	Deletions to lease liabilities	Upfront fees and amortisation	
Debt securities	5,636.63	10,340.15	(5,443.86)	41.71	-	-	(148.55)	10,426.10
Borrowings (other than debt securities)	73,627.58	71,537.99	(61,837.62)	288.11	1,440.28	-	(9.49)	85,046.85
Lease liabilities	1,749.23	148.40	(426.03)	183.29	-	(55.36)	-	1,599.53
Total liabilities from financial activities	**81,013.44**	**82,026.54**	**(67,707.50)**	**513.11**	**1,440.28**	**(55.36)**	**(158.04)**	**97,072.48**

	As at April 01, 2024	Cash flow		Non-cash				As at March 31, 2025
		Additions	Payment	Interest Expense	Forex (Gain)/Loss	Deletions to lease liabilities	Upfront fees and amortisation	
Debt securities	9,986.20	664.00	(5,089.49)	56.57	-	-	19.35	**5,636.63**
Borrowings (other than debt securities)	74,261.65	56,868.87	(58,172.90)	284.84	349.54	-	35.59	**73,627.58**
Lease liabilities	1,645.03	308.86	(371.23)	185.67	-	(19.10)	-	**1,749.23**
Total liabilities from financial activities	**85,892.88**	**57,841.73**	**(63,633.62)**	**527.08**	**349.54**	**(19.10)**	**54.94**	**81,013.44**

Notes Forming Part of Financial Statements

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53 The Company has used multiple accounting software/applications for maintaining its books of account during the year, which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the respective software.

The Company migrated from Orion ERP to Oracle Fusion ERP w.e.f October 01, 2025. Post-migration, user access to Orion was disabled at both database and application levels, though Orion's service provider confirmed that transaction-level logs remain available for future verification and saved as per regulatory requirement. For Oracle Fusion, the Company's new SaaS-based ERP solution, maintains comprehensive audit trail logs with restricted database access to prevent unauthorised backend modifications or edits. Oracle Fusion demonstrated SOC 2-Type 2 compliance during the audit period and provided an interim bridge report for the period October 01, 2025 to March 31, 2026 confirming that no material changes to IT infrastructure occurred that would compromise its SOC compliance posture. The Company retained full LMS/LOS application-level and database-level logs and further enhanced log retrieval capabilities by implementing a SQL compliance monitoring tool on February 01, 2026, to capture database-level changes, including extraction of old and new values. Further, during the year, there were no instance of the audit trail feature being tampered and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

54 ADDITIONAL REGULATORY INFORMATION AS PER AMENDMENTS IN SCHEDULE III OF COMPANIES ACT, 2013 (MCA NOTIFICATION DATED MARCH 24, 2021)

(i) The Company doesn't have any immovable property whose title deeds are not held in the name of the Company.

(ii) Investments made by the Company is carried at fair valued through Other Comprehensive Income in the financials.

(iii) The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets) during the year or previous year.

(iv) The Company has not revalued its intangible assets during the year or previous year.

(v) The Company has not given any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are a) repayable on demand; or b) without specifying any terms or year of repayment.

(vi) The Company does not have Capital Work in Progress & Intangible Assets under Development during the current year and previous year.

(vii) The Company doen't hold any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder and no proceedings have been initiated or pending against the Company for the same.

(viii) The Company has not made any default in repayment of its financial obligations and is not declared wilful defaulter by any bank or financial Institution or other lender.

(ix) The Company has reviewed transactions to identify if there are any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956. To the extent information is available on struck off companies, there are no transaction with struck off companies.

(x) There is no charges or satisfaction to be registered with ROC beyond the statutory period.

(xi) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(xii) Company has not traded/invested in crypto currency or virtual currency during the current year and previous year.

(xiii) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall

  a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

  (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(xiv) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall

  (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

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54 ADDITIONAL REGULATORY INFORMATION AS PER AMENDMENTS IN SCHEDULE III OF COMPANIES ACT, 2013 (MCA NOTIFICATION DATED MARCH 24, 2021) (Contd.)

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(xv) There have been no transactions which have not been recorded in the books of accounts, that have been surrendered or disclosed as income during the year ended March 31, 2026 and March 31, 2025, in the tax assessments under the Income Tax Act, 1961. There have been no previously unrecorded income and related assets which were to be properly recorded in the books of account during the year ended March 31, 2026 and March 31, 2025.

(xvi) Analytical Ratios:

	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2024
Capital to Risk Weighted Assets Ratio	23.92%	27.85%	28.97%
Tier I Capital	23.92%	27.39%	28.97%
Tier II Capital	0.00%	0.46%	0.00%

	% variance (March 31, 2026 v/s March 31, 2025)	Remarks	% variance (March 31, 2025 v/s March 31, 2024)	Remarks
Capital to Risk Weighted Assets Ratio	(14.13%)	Decrease in CRAR due to increase in portfolio having higher weightage and growth in overall risk weighted assets	(3.85%)	Decrease in CRAR due to reduction in reserves and surplus
Tier I Capital	(12.69%)	Decrease in CRAR due to increase in portfolio having higher weightage and growth in overall risk weighted assets	(5.43%)	Decrease in CRAR due to reduction in reserves and surplus
Tier II Capital	(100.00%)	Decrease due to increase in adjustment of credit enhancement for securitisation	100.00%	Increase due to increase in provision for standard assets

55 DISCLOSURE AS PER MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025, ISSUED VIDE CIRCULAR NO. RBI/DOR/2025-26/359 DOR.ACC.REC.NO.278/21.04.018/2025-26 DATED NOVEMBER 28, 2025 AS AMENDED ARE AS UNDER:-

(i) Summary of Material accounting policies:

The accounting policies regarding key areas of operations are disclosed as note 1 to the financial statements.

(ii) Capital to Risk Assets Ratio ("CRAR"):-

	As at March 31, 2026	As at March 31, 2025
CRAR (%)	23.92%	27.85%
CRAR – Tier I capital (%)	23.92%	27.39%
CRAR – Tier II capital (%)	0.00%	0.46%
Amount of subordinated debt raised during the year included in Tier-II capital	-	-
Amount raised by issue of Perpetual Debt Instruments	-	-

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55 DISCLOSURE AS PER MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025, ISSUED VIDE CIRCULAR NO. RBI/DOR/2025-26/359 DOR.ACC.REC.NO.278/21.04.018/2025-26 DATED NOVEMBER 28, 2025 AS AMENDED (Contd.)

(iii) Investments

The Investment of the Company as on March 31, 2026 : ₹ 4,058.30 million (March 31, 2025: ₹ 3,543.42 million). (Refer Note -7)

(iv) Derivatives

The Company has no unhedged foreign currency exposure as on March 31, 2026 (March 31, 2025: ₹ Nil).

Forward Rate Agreement/Interest Rate Swap

		As at March 31, 2026	As at March 31, 2025
i)	The notional principal of swap agreements	13,510.20	12,864.52
ii)	Losses/(Gain) which would be incurred if counterparties failed to fulfill their obligations under the agreements	(1,826.45)	76.86
iii)	Collateral required by the NBFC upon entering into swaps	-	-
iv)	Concentration of credit risk arising from the swaps	-	-
v)	The fair value of the swap book	(1,826.45)	76.86

Exchange Traded Interest Rate (IR) Derivatives

The Company has not traded in exchange traded Interest Rate Derivative during the financial year ended March 31, 2026 (Previous year : ₹ Nil).

Disclosures on Risk Exposure in Derivatives

Qualitative Disclosures

The Company has a Board approved policy in dealing with derivative transactions. Derivative transaction consists of hedging of foreign exchange transactions, which includes cross currency interest rate swap. The Company undertakes derivative transactions for hedging on-balance sheet assets and liabilities. Such outstanding derivative transactions are accounted on accrual basis over the life of the underlying instrument. The Asset Liability Management Committee and Risk Management Committee closely monitors such transactions and reviews the risks involved.

Quantitative Disclosures

		As at March 31, 2026	As at March 31, 2025
		Currency Derivatives	
i)	Derivatives (Notional Principal Amount) For Hedging	13,510.20	12,864.52
ii)	Marked to Market Positions		
	a) Asset (+)	1,826.45	-
	b) Liability (-)	-	(76.86)
iii)	Credit Exposure	-	-
iv)	Unhedged Exposures	-	-

Notes Forming Part of Financial Statements

for the year ended March 31, 2026
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55 DISCLOSURE AS PER MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025, ISSUED VIDE CIRCULAR NO. RBI/DOR/2025-26/359 DOR.ACC.REC.NO.278/21.04.018/2025-26 DATED NOVEMBER 28, 2025 AS AMENDED (Contd.)

(v) Exposures

There is no intra group and capital market exposure directly or indirectly in the current and previous year.

Exposure to real estate sector

		As at March 31, 2026	As at March 31, 2025
A.	**Direct Exposure**		
a)	Residential Mortgages -	470.89	6.59
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.		
b)	Commercial Real Estate -	-	-
	Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential building, multi tenated commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.		
c)	Investment in Mortgage - Backed Securities (MBS) and other securitised exposures -		
	i) Residential	-	-
	ii) Commercial Real Estate	-	-
B.	**Indirect Exposure**		
	Fund based and non-fund based exposures on National Housing Bank and Housing Finance Companies	-	-
		470.89	**6.59**

(vi) Details of Single Borrower Limit (SGL)/Group Borrower Limit (GBL) exceeded by the NBFC

The Company has not exceeded Single Borrower Limit (SGL)/Group Borrower Limit (GBL) during the year ended March 31, 2026 (March 31, 2025: ₹ Nil)

The Company has not exceeded the prudential exposure limits during the current and previous year.

(vii) Unsecured advances

The Company has not given any Loans and advances against intangible securities during the current and previous year.

Refer note 6 for details related to unsecured loans. The Company has not issued any advances against the right, licence, authority etc as collateral.

(viii) Divergence in Asset classification and provisioning

Below two conditions are not satisfied hence the details of diversions are not required to be disclosed:

a) No additional provisions have been assessed by RBI exceeding 5 percent of the reported profits before tax and impairment loss on financial instruments for the year ended March 31, 2026 and March 31, 2025.

b) RBI has not identified additional GNPAs exceeding 5 percent of reported GNPAs for the year ended March 31, 2026 and March 31, 2025.

(ix) Registration obtained from other financial sector regulators

The Company has obtained Corporate Agency Licence from Insurance Regulatory and Development Authority of India vide Registration No. CA0953.

(x) Net profit or loss for the period, prior period items and changes in accounting policies

There are no prior period items that have impact on the current year's or previous year's profit and loss.

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(xi) Revenue Recognition

There is no transaction in which the Revenue recognition has been postponed or pending the resolution of significant uncertainty.

(xii) Draw down from reserves

There has been no draw down from reserve during the year ended March 31, 2026 (March 31, 2025: ₹ Nil).

(xiii) Details of financing of parent Company products

The Company does not finance the products of the parent/holding company.

(xiv) (a) Disclosures relating to securitisation

		As at March 31, 2026	As at March 31, 2025
SPVs relating to outstanding securitisation transactions			
1.	Number of SPVs sponsored by the NBFC for securitisation transactions as on the date of the balance sheet (Nos)	22	12
2.	Total amount of securitised assets as per books of the SPVs sponsored as on the date of the balance sheet	19,710.36	11,344.08
3.	Total amount of exposures retained by the NBFC to comply with minimum retention requirement ('MRR')		
	Off-balance sheet exposures		
	First loss	-	-
	Others	-	-
	On-balance sheet exposures		
	Cash collateral in the form of term deposits with banks	2,418.59	1,264.84
	Equity investment in PTC	138.73	-
4.	Amount of exposures to securitisation transactions other than MRR		
	Off-balance sheet exposures		
	Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
	On-balance sheet exposures		
	Exposure to own securitisations		
	First loss (cash collateral)	-	-
	Internal credit enhancement	4,750.86	2,831.85
	Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
5.	Sale consideration received for the securitised assets	32,897.47	15,636.62
	Gain/loss on sale on account of securitisation	-	-
6.	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc	2.91	2.31

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55 DISCLOSURE AS PER MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025, ISSUED VIDE CIRCULAR NO. RBI/DOR/2025-26/359 DOR.ACC.REC.NO.278/21.04.018/2025-26 DATED NOVEMBER 28, 2025 AS AMENDED (Contd.)

		As at March 31, 2026	As at March 31, 2025
	(The Company has assumed Role of Servicer for all outstanding securitisation transactions. Servicing fee received during the financial year is disclosed.)		
7.	Performance of facility provided (Cash collateral)		
(a)	Opening balance	1,264.84	2,311.06
(b)	Additions during the year	2,301.74	1,023.16
(c)	Repayment/maturity received	(1,147.99)	(2,069.38)
(d)	Closing balance Outstanding	2,418.59	1,264.84
8.	Average default rate of portfolios observed in the past	-	-
9.	Amount and number of additional/top up loan given on same underlying asset	-	-
10.	Investor complaints		
(a)	Directly/Indirectly received	-	-
(b)	Complaints outstanding	-	-

There are no Simple, Transparent and Comparable (STC transactions in the financial years ended March 31, 2026 and March 31, 2025.

(b) Disclosure as per RBI circular no. RBI/DOR/2025-26/353 dated November 28, 2025.

		As at March 31, 2026	As at March 31, 2025
i)	Total number of loan assets securitized during the year (Nos)	7,44,259	4,41,241
ii)	Book value of loan assets securitized during the year	37,282.81	17,830.01
iii)	Sale consideration received during the year	32,897.47	15,636.62
iv)	Credit enhancement provided during the year		
-	Principal subordination	4,385.34	2,193.39
-	Cash collateral	2,254.01	2,275.97

(xv) Details of stressed loans transferred to Asset Reconstruction Companies :-

		As at March 31, 2026	As at March 31, 2025
i)	Total number of loan assets sold during the year (Nos)	1,05,570	1,91,247
ii)	Aggregate principal outstanding of loans transferred	3,513.61	4,947.41
iii)	Weighted average residual tenor of the loans transferred	1.02 years	0.75 years
iv)	Net book value of loans transferred (at the time of transfer)	1,303.59	3,367.17
v)	Aggregate consideration	1,230.00	2,225.00
vi)	Additional consideration realised in respect of accounts transferred in earlier years	-	-
vii)	Excess provisions reversed to the profit and loss account on sale of stressed loans	-	-
viii)	Investment in Security Receipts	1,069.00	1,933.80

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55 **DISCLOSURE AS PER MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025, ISSUED VIDE CIRCULAR NO. RBI/DOR/2025-26/359 DOR. ACC.REC.NO.278/21.04.018/2025-26 DATED NOVEMBER 28, 2025 AS AMENDED (Contd.)**

Details of recovery rating assigned for security receipts as on March 31, 2026

Recovery Rating Scale	Implied recovery	Book Value
IVR RR1+	More than 150%	281.06
IVR RR1+	More than 150%	474.10
BWR RR1	100% to 150%	1,128.45
BWR RR1	100% to 150%	950.89

Details of recovery rating assigned for security receipts as on March 31, 2025

Recovery Rating Scale	Implied recovery	Book Value
IVR RR1	100% to 150%	393.64
IVR RR1	100% to 150%	551.22
To be rated within timelines as per RBI guidelines	N.A	1,337.00

The Company has not transferred any stressed loans except mentioned in the above point to other permitted transferees/ other transferees during the year (Previous year: Nil).

(xvi) Details of stressed loan acquired :-

The Company has not purchased non-performing financial assets in the current and previous year.

(xvii) Details of assignment transactions undertaken:-

		As at March 31, 2026	As at March 31, 2025
i)	Total number of loan assets assigned during the year (Nos)	3,26,295	4,82,182
ii)	Book value of loan assets assigned during the year including MRR	15,516.63	18,463.91
iii)	Sale consideration received during the year	13,485.96	16,213.09
iv)	Number of transactions	6	11
v)	Weighted average remaining maturity	1.51 years	1.34 years
vi)	Weighted average holding period after origination	0.71 years	0.70 years
vii)	Retention of beneficial economic interest (MRR)	2,030.67	2,250.82
viii)	Coverage of tangible security coverage	N.A	N.A
ix)	Rating wise distribution of rated loans	N.A	N.A
x)	Number of instances (transactions) where transferred as agreed to replace the transferred loans	N.A	N.A
xi)	Number of transferred loans replaced	N.A	N.A

(xviii) Details of Co-Lending Arrangements undertaken:

	As at March 31, 2026	As at March 31, 2025
No. of Co-Lending Arrangements	2	2
Disbursement (Company share)	62.96	14.17
Outstanding portfolio (Company share)	212.43	465.10
Weighted average rate of Interest	20.00%	20.00%
Servicer fee received	3.53	0.14
Sectorial Distribution of Co-lending portfolio	Microfinance	Microfinance
Portfolio in Stage 3	130.55	78.76
Details of Default loss guarantee	Nil	Nil

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55 DISCLOSURE AS PER MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025, ISSUED VIDE CIRCULAR NO. RBI/DOR/2025-26/359 DOR. ACC.REC.NO.278/21.04.018/2025-26 DATED NOVEMBER 28, 2025 AS AMENDED (Contd.)

(xix) Disclosure of Penalties/fines imposed by RBI & other regulators:-

There have been no instances of non-compliance by the Company on any matters relating to the Companies Act, RBI Regulations, SEBI Regulations, Labour Laws, Income Tax and GST Laws and other applicable Acts, Rules, and Regulations except for the details mentioned below:

For financial year 2025-26

The Company had paid an amount of ₹ 4 million towards penal damages and interest under section 14B & 7Q of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

For financial year 2024-25

The Company has received notice from BSE Ltd. with respect to Non-submission of Intimation of Board Meeting in accordance with Regulation 50(1)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has requested for the waiver of fine on account of interpretation of Law. Request for waiver is under process and the Company is awaiting positive response.

Also, the Company received notice from the both the stock exchanges with respect to Delay in furnishing prior intimation about the meeting of the board of directors (Regulation 29 (2)/29 (3) of SEBI (LODR) Regulations, 2015). The Company has requested the waiver of fine mentioning that no action triggering the requirement of notice has occurred during the current financial year. Request for waiver is under process and the Company is awaiting positive response.

(xx) Asset Liability Management (Maturity pattern of certain items of assets and liabilities):-*

As at March 31, 2026

	1 to 7 Days	8 to 14 Days	15 to 30/31 Days	Over one month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 Year	Over 1 Year upto 3 Year	Over 3 Year upto 5 Year	Over 5 Year	Total
Liabilities											
Borrowings	325.90	1,617.95	1,697.37	4,897.26	6,397.87	14,627.45	21,582.61	29,216.02	17.20	-	**80,379.63**
Foreign Currency Liabilities	-	-	821.00	-	-	-	684.93	10,744.99	1,259.28	-	**13,510.20**
Assets											
Advances	1,850.52	1,600.99	904.61	4,648.45	4,922.32	14,880.81	27,385.15	43,543.98	3,697.38	404.30	**1,03,838.51**
Deposits	614.09	0.53	-	-	381.74	914.31	1,694.63	1,630.19	-	-	**5,235.49**
Investments	-	-	-	-	-	-	-	-	4,057.85	0.45	**4,058.30**
Foreign Currency assets											

As at March 31, 2025

	1 to 7 Days	8 to 14 Days	15 to 30/31 Days	Over one to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 Year	Over 1 Year upto 3 Year	Over 3 Year upto 5 Year	Over 5 Year	Total
Liabilities											
Borrowings	205.89	1,059.49	1,808.23	4,644.46	5,351.83	12,542.32	19,177.64	21,266.97	-	-	**66,056.83**
Foreign Currency Liabilities	-	-	-	-	-	-	684.93	10,920.31	1,259.28	-	**12,864.52**
Assets											
Advances	1,502.16	1,895.89	1,124.94	4,702.81	4,622.24	14,534.34	25,014.64	31,915.95	4,086.73	40.16	**89,439.86**
Deposits	632.94	142.90	-	24.59	416.07	1,028.39	1,769.57	1,193.27	-	-	**5,207.73**
Investments	-	-	-	-	-	-	-	-	3,542.97	0.45	**3,543.42**
Foreign Currency assets											

*Asset Liability Management pattern is disclosed in accordance with "Reserve Bank of India (Non-Banking Financial Companies – Financial statements: Presentation and Disclosures) Directions, 2025" issued by Reserve Bank of India. The Company is to disclose expected fund inflows and outflows and hence fair valuation/amortisation adjustments made on account of adoption of Ind AS are not considered here.

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(xxi) During the year, the Company's various instruments were rated, the details of these ratings are as under:-

For the year ended March 31, 2026	Rating agency	Date of rating	Valid upto	Rating assigned	Borrowing limit
MFI Grading	CRISIL	August 07, 2025	August 06, 2026	M1C1	Not applicable
Bank Loan Rating	CRISIL	March 06, 2026	March 06, 2027	CRISIL A+/Positive	1,00,000
NCD	CRISIL	December 15, 2025	December 15, 2026	CRISIL A+/Positive (Reaffirmed)	17,032
Commercial Paper	CRISIL	December 15, 2025	December 15, 2026	CRISIL A1+ (Reaffirmed)	2,000
ECB Global Rating	CareEdge Global	October 23, 2025	October 23, 2026	CareEdge BB-/Stable	USD 50
ESG Rating	CareEdge-ESG 1	May 05, 2025	May 05, 2026	ESG score - 72.2	Not applicable

For the year ended March 31, 2025	Rating agency	Date of rating	Valid upto	Rating assigned	Borrowing limit
MFI Grading	CRISIL	August 05, 2024	August 05, 2025	M1C1	Not applicable
Bank Loan Rating	CRISIL	December 16, 2024	December 16, 2025	CRISIL A+/Stable (Reaffirmed)	1,00,000
NCD	CRISIL	October 09, 2024	October 09, 2025	CRISIL A+/Stable (Reaffirmed)	9,500

Note: A fresh letter of revalidation from CRISIL is required if the proposed facilities are not availed within a period of 180 days from the date of rating.

(xxii) Provisions and contingencies:-

	Year ended March 31, 2026	Year ended March 31, 2025
Break up of 'Provisions and contingencies' shown under the head Expenses in Statement of profit and loss		
Provision towards NPA	2,262.07	4,264.02
Provision made towards income tax	148.48	468.41
Provision for gratuity	54.94	63.71
Provision for compensated absences	28.29	12.95
Provision towards standard assets	(1,252.35)	1,940.84

(xxiii) Concentration of advances, exposures and NPAs:-

	Year ended March 31, 2026	Year ended March 31, 2025
Concentration of Advances		
Total Advances to twenty largest borrowers	80.61	106.57
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	0.09%	0.12%
Concentration of Exposures		
Total Exposure to twenty largest borrowers/customers	113.04	100.08
Percentage of Exposures to twenty largest borrowers/customers to total exposure of the NBFC on borrowers/customers	0.11%	0.11%
Concentration of NPAs		
Total Exposure to top four NPA accounts	20.98	1.01

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(xxiv)Sectorial Exposure:-

Sector		Year ended March 31, 2026			Year ended March 31, 2025		
		Gross carrying amount	Gross NPA	% of NPAs to total exposure in that sector	Gross carrying amount	Gross NPA	% of NPAs to total exposure in that sector
1.	Agriculture and Allied Activities	46,324.92	2,400.28	5.18%	47,331.96	2,799.04	5.91%
2.	Industry						
	Manufacturing (Including MSME)	8,761.56	235.75	2.69%	6,170.22	225.55	3.66%
	Trading (Including MSME)	10,547.94	467.22	4.43%	9,810.38	508.70	5.19%
3.	Services	41,970.31	1,077.10	2.57%	29,365.12	959.32	3.27%
4.	Personal Loans						
	Consumption	12.59	7.01	55.70%	274.05	0.81	0.29%
	Education	-	-	-	0.75	0.75	100.00%
	Others	0.75	0.66	88.52%	124.20	17.49	14.08%
5.	Others	-					
	Corporate Loan	101.99	20.67	20.26%	94.63	-	-
	Loan Against Property	464.70	0.53	0.11%	-	-	-

(i) The percentage shown above have been computed basis the NPA amount of the category divided by the outstanding of the respective category.

(ii) The above information is provided as per MIS/reports generated available for internal reporting purpose which include certain estimates and assumption. The same has been relied upon by auditors.

(xxv)Movement of Stage 3 assets:-

	Year ended March 31, 2026	Year ended March 31, 2025
Net stage 3 assets to net advances (%)	**1.15%**	**1.38%**
Movement of stage 3 assets (gross)		
Opening balance	4,511.67	2,207.89
Additions during the year	6,307.65	10,504.01
Reductions during the year	(6,610.11)	(8,200.23)
Closing balance	**4,209.21**	**4,511.67**
Movement of net stage 3 assets		
Opening balance	1,203.63	905.75
Addition during the year	3,535.34	7,888.43
Reductions during the year	(3,540.81)	(7,590.55)
Closing balance	**1,198.16**	**1,203.63**
Movement of provisions for stage 3 assets		
Opening balance	3,308.04	1,302.14
Addition during the year	2,772.31	2,615.58
Reduction/write off during the year	(3,069.30)	(609.68)
Closing balance	**3,011.05**	**3,308.04**

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(xxvi) Overseas assets

The Company did not have any joint ventures and subsidiaries abroad.

(xxvii) Off-balance sheet SPVs sponsored

There are no off-balance sheet SPVs sponsored which are required to be consolidated as per accounting norms as at end of current and previous year.

(xxviii) Comparison between provisions required under IRACP and impairment allowances made under Ind AS 109:-

Asset Classification as per RBI Norms as at March 31, 2026	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS*	Loss Allowances (Provisions) as required under Ind AS 109*	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5=(3-4)	6	7=(4-6)
Performing Assets						
Standard	Stage 1	1,01,039.25	953.57	1,00,085.68	404.16	549.41
	Stage 2	2,936.30	255.44	2,680.86	11.75	243.69
Subtotal		**1,03,975.55**	**1,209.01**	**1,02,766.54**	**415.91**	**793.10**
Non-Performing Assets (NPA)						
Substandard	Stage 3	3,774.59	2,683.01	1,091.58	1,102.76	1,580.25
Doubtful - up to 1 year	Stage 3	432.47	326.84	105.63	368.48	(41.64)
1 to 3 years	Stage 3	2.15	1.20	0.95	1.02	0.18
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**4,209.21**	**3,011.05**	**1,198.16**	**1,472.26**	**1,538.79**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**4,209.21**	**3,011.05**	**1,198.16**	**1,472.26**	**1,538.79**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		**-**	**-**	**-**	**-**	**-**
Total	**Stage 1**	**1,01,039.25**	**953.57**	**1,00,085.68**	**404.16**	**549.42**
	Stage 2	**2,936.30**	**255.44**	**2,680.86**	**11.75**	**243.69**
	Stage 3	**4,209.21**	**3,011.05**	**1,198.16**	**1,472.26**	**1,538.78**
	Total	**1,08,184.76**	**4,220.06**	**1,03,964.70**	**1,888.17**	**2,331.89**

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Asset Classification as per RBI Norms as at March 31, 2025	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS*	Loss Allowances (Provisions) as required under Ind AS 109*	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5=(3-4)	6	7=(4-6)
Performing Assets						
Standard	Stage 1	85,102.11	1,367.17	83,734.94	343.06	1,024.10
	Stage 2	3,557.53	1,094.19	2,463.34	14.22	1,079.96
Subtotal		**88,659.64**	**2,461.36**	**86,198.28**	**357.29**	**2,104.07**
Non-Performing Assets (NPA)						
Substandard	Stage 3	4,466.83	3,276.21	1,190.63	949.67	2,326.54
Doubtful - up to 1 year	Stage 3	38.30	27.78	10.52	32.66	(4.88)
1 to 3 years	Stage 3	2.04	0.98	1.06	0.89	0.09
More than 3 years	Stage 3	4.50	3.07	1.43	2.01	1.06
Subtotal for doubtful		**4,511.67**	**3,308.04**	**1,203.64**	**985.22**	**2,322.81**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**4,511.67**	**3,308.04**	**1,203.64**	**985.22**	**2,322.81**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		**-**	**-**	**-**	**-**	**-**
Total	**Stage 1**	**85,102.11**	**1,367.17**	**83,734.94**	**343.06**	**1,024.10**
	Stage 2	**3,557.53**	**1,094.19**	**2,463.34**	**14.22**	**1,079.96**
	Stage 3	**4,511.67**	**3,308.04**	**1,203.64**	**985.22**	**2,322.81**
	Total	**93,171.31**	**5,769.39**	**87,401.92**	**1,342.51**	**4,426.87**

*includes fair valuation impact on loans classified as fair value to other comprehensive income (FVOCI).

(xxix) Details of resolution plan implemented under the Resolution Framework for COVID-19-related Stress as per RBI circular dated May 05, 2021 (Resolution Framework 2.0) are given below:

		As at March 31, 2026	As at March 31, 2025
a)	Number of accounts where resolution plan has been implemented under this window	1,94,824	1,94,824
b)	Exposure to accounts mentioned at (a) before implementation of the plan	4,506.81	4,506.81
c)	Active number of accounts where the resolution plan is implemented	-	152
d)	Exposure to accounts mentioned at (c) on the reporting date	-	0.75
e)	Increase in provisions on account of the implementation of the resolution plan	-	0.00

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55 DISCLOSURE AS PER MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025, ISSUED VIDE CIRCULAR NO. RBI/DOR/2025-26/359 DOR.ACC.REC.NO.278/21.04.018/2025-26 DATED NOVEMBER 28, 2025 AS AMENDED (Contd.)

(xxx) Disclosure as required by the Master Direction -Fraud Risk Management in NBFCs (Reserve Bank) Directions, 2024, RBI/DOS/2024-25/120 DOS.CO.FMG.SEC.No.7/23.04.001/2024-25 dated July 15, 2024:

	As at March 31, 2026				As at March 31, 2025			
	Less than 1 lakh	1 lakh to 5 lakh	5 lakh to 25 lakh	More than 25 lakh	Less than 1 lakh	1 lakh to 5 lakh	5 lakh to 25 lakh	More than 25 lakh
Nature of fraud (cash embezzlement)								
A) Persons involved								
Staff								
No. of accounts (Victims)	264	1,244	1,744	310	289	886	1,106	265
Amount	1.29	6.71	9.56	11.58	3.21	2.38	3.69	2.74
Others								
No. of accounts (Victims)	-	1	-	-	-	-	43	-
Amount	-	0.14	-	-	-	-	1.58	-
B) Type of fraud								
Misappropriation and criminal breach of trust								
No. of accounts (Victims)	264	1,244	1,744	310	289	886	1,106	265
Amount	1.29	6.71	9.56	11.58	3.21	2.38	3.69	2.74
Cheating and forgery								
No. of accounts (Victims)	-	1	-	-	-	-	43	-
Amount	-	0.14	-	-	-	-	1.58	-

(xxxi) Public disclosure on Liquidity Risk as on March 31, 2026

(a) Funding concentration based on significant counterparty (both deposits and borrowings)

	As at March 31, 2026	As at March 31, 2025
Number of significant counterparties	27	30
Amount	74,864.82	70,005.33
% of total deposits	-	-
% of total liabilities	78.41%	89.77%

(b) Top 20 large deposits and 10 borrowings

	Outstanding Amount as at March 31, 2026	% of total liabilities
Top 20 large deposits	-	-
Top 10 large borrowings	47,918.74	50.19%

	Outstanding Amount as at March 31, 2025	% of total liabilities
Top 20 large deposits	-	-
Top 10 large borrowings	41,408.39	53.10%

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55 DISCLOSURE AS PER MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025, ISSUED VIDE CIRCULAR NO. RBI/DOR/2025-26/359 DOR. ACC.REC.NO.278/21.04.018/2025-26 DATED NOVEMBER 28, 2025 AS AMENDED (Contd.)

(c) Funding concentration based on significant instrument/product

	Amount as at March 31, 2026	% of total liabilities
Term Loan	51,519.00	53.96%
Securitisation	19,581.30	20.51%
External Commercial Borrowing	13,946.55	14.61%
Non-convertible debentures	9,617.47	10.07%
Commercial paper	808.63	0.85%
Total	**95,472.95**	**100.00%**

	Amount as at March 31, 2025	% of total liabilities
Term Loan	49,064.73	62.92%
Securitisation	11,363.43	14.57%
External Commercial Borrowing	11,918.92	15.28%
Non-convertible debentures	5,636.63	7.23%
Commercial paper	-	0.00%
Total	**77,983.71**	**100.00%**

(d) Stock ratios

	March 31, 2026			
	Amount	% of public fund	% of total liabilities*	% of total assets
Commercial paper	808.63	0.85%	0.82%	0.64%
Non-convertible debentures	9,617.47	10.07%	9.78%	7.58%

	March 31, 2025			
	Amount	% of public fund	% of total liabilities*	% of total assets
Commercial paper	-	-	-	-
Non-convertible debentures	5,636.63	7.23%	6.85%	5.19%

*Total liabilities has been computed as sum of all liabilities as per balance sheet.

*Non-convertible debentures having maturity of more than one year.

(e) Institutional set-up for liquidity risk management

The Board has the overall responsibility for management of liquidity risk. The Company has a risk management committee responsible for evaluating the overall risks faced by the Company including liquidity risk. The asset liability management committee is also responsible for ensuring adherence to the risk tolerance and implementing the liquidity risk management strategy.

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55 DISCLOSURE AS PER MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025, ISSUED VIDE CIRCULAR NO. RBI/DOR/2025-26/359 DOR.ACC.REC.NO.278/21.04.018/2025-26 DATED NOVEMBER 28, 2025 AS AMENDED (Contd.)

(xxxii)Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman:-

		Year ended March 31, 2026	Year ended March 31, 2025
Complaints received by the Company from customers			
a)	Number of complaints pending at the beginning of the year (Nos)	38	21
b)	Number of complaint received during the year (Nos)	3,527	1,467
c)	Number of complaint disposed during the year (Nos)	3,149	1,450
d)	Number of complaints rejected out of (c) (Nos)	-	-
e)	Number of complaints pending at the end of the year (Nos)	416	38
Maintainable complaints received by the Company from Office of Ombudsman			
a)	Number of maintainable complaints received during the year (Nos)	23	24
b)	Number of complaints resolved in favour of the Company out of (a) (Nos)	23	24
c)	Number of complaints resolved through conciliation/mediation/ advisories issued by Office of Ombudsman, out of (a) (Nos)	-	-
d)	Number of complaints resolved after passing of Awards by Office of Ombudsman against the Company, out of (a) (Nos)	-	-
e)	Number of Awards implemented within the stipulated time (other than those appealed) (Nos)	-	-

(xxxiii)Top five grounds of complaints received by the NBFC from customers

Grounds of complaints	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Year ended March 31, 2026					
Updation of repayment records	1	127	(5%)	9	-
Insurance claim settlement	10	794	128%	23	-
Digital transactions	-	26	63%	3	-
Fraud Conducted by staff	-	17	(94%)	4	-
Updation/dispute on data in Credit Information Report (CIR)	-	262	671%	48	-
Excessive charges	-	22	47%	3	-
Recovery practices	7	322	59%	41	-
Fraud conducted by external agencies	-	8	(43%)	-	-
Cash Misappropriation	19	1,722	401%	244	-
Third party products related	1	125	279%	14	-
Loan Renewal	-	28	100%	24	-
Refund related	-	20	54%	3	-
Not MML Customer	-	53	100%	-	-
Others	-	1	(96%)	-	-
Total	**38**	**3,527**	**140%**	**416**	**-**

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55 DISCLOSURE AS PER MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025, ISSUED VIDE CIRCULAR NO. RBI/DOR/2025-26/359 DOR. ACC.REC.NO.278/21.04.018/2025-26 DATED NOVEMBER 28, 2025 AS AMENDED (Contd.)

Grounds of complaints	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
Year ended March 31, 2025					
Mis-selling	3	8	(78%)	-	-
Updation of repayment records	7	133	(11%)	1	-
Insurance claim settlement	2	348	176%	10	-
Digital transactions	-	16	(56%)	-	-
Fraud Conducted by staff	8	275	20%	-	-
Interest rates	-	1	0%	-	-
Updation/dispute on data in Credit Information Report (CIR)	-	34	17%	-	-
Excessive charges	1	15	25%	-	-
Recovery practices	-	202	37%	7	-
Fraud conducted by external agencies	-	14	133%	-	-
Cash Misappropriation	-	344	100%	19	
Third party products related	-	33	1550%	1	-
Defective in Product	-	3	50%	-	-
Refund related	-	13	100%	-	
Others	-	28	12%	-	-
Total	**21**	**1,467**	**83%**	**38**	**-**

The above information is provided as per MIS/reports generated available for internal reporting purpose which include certain assumption. The same has been relied upon by auditors.

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55 DISCLOSURE AS PER MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025, ISSUED VIDE CIRCULAR NO. RBI/DOR/2025-26/359 DOR. ACC.REC.NO.278/21.04.018/2025-26 DATED NOVEMBER 28, 2025 AS AMENDED (Contd.)

(xxxiv) Related party disclosure:-

Nature of relationship	Holding Company		Entities in which KMP are able to exercise control or have significant influence		Fellow subsidiary		Directors and their Relatives		Key Management Personnel (KMP)		Total	
Items	**Year ended March 31, 2026**	**Year ended March 31, 2025**	**Year ended March 31, 2026**	**Year ended March 31, 2025**	**Year ended March 31, 2026**	**Year ended March 31, 2025**	**Year ended March 31, 2026**	**Year ended March 31, 2025**	**Year ended March 31, 2026**	**Year ended March 31, 2025**	**Year ended March 31, 2026**	**Year ended March 31, 2025**
Cash management charges	40.74	55.32	-	-	-	-	-	-	-	-	40.74	55.32
Commission income	1.52	0.02	(3.09)	15.01	-	-	-	-	-	-	(1.56)	15.04
Software support charges	-	-	-	-	10.46	12.07	-	-	-	-	10.46	12.07
Rent expenses	1.57	1.85	-	-	-	-	13.31	12.69	-	-	14.87	14.54
Rental deposits given/ (refunded)	0.06	(0.25)	-	-	-	-	-	-	-	-	0.06	(0.25)
CSR expenditure	-	-	32.30	31.48	-	-	-	-	-	-	32.30	31.48
Travel expenses	0.28	0.02	-	-	-	-	-	-	-	-	0.28	0.02
Trade mark Fees	-	-	-	-	-	-	0.10	0.10	-	-	0.10	0.10
Sitting fees	-	-	-	-	-	-	4.24	6.29	-	-	4.24	6.29
Remuneration	-	-	-	-	-	-	12.30	2.85	77.12	75.58	89.42	78.43
Professional charges	-	-	-	8.27	-	-	-	-	-	-	-	8.27
Outstanding (payables)/receivables												
Cash management & Commission payable	(3.07)	(4.13)	-	(0.59)	-	-	-	-	-	-	(3.07)	(4.72)
Commission receivable	0.26	0.00	-	-	-	-	-	-	-	-	0.26	0.00
Rent payable	(0.22)	(0.14)	-	-	-	-	(1.24)	(1.16)	-	-	(1.46)	(1.29)
Rental deposit	0.24	0.29	-	-	-	-	0.36	0.36	-	-	0.59	0.65
Travel charges payable	-	0.00	-	-	-	-	-	-	-	-	-	0.00
Investments	-	-	0.45	0.45	-	-	-	-	-	-	0.45	0.45
Maximum outstanding (payables)/receivables during the year												
Cash management & Commission payable	(4.20)	(5.61)	-	(5.04)	-	-	-	-	-	-	(4.20)	(10.65)
Commission receivable	0.26	0.00	-	-	-	-	-	-	-	-	0.26	0.00
Rent payable	(0.22)	(0.20)	-	-	-	-	(1.24)	(1.16)	-	-	(1.46)	(1.36)
Rental deposit	0.24	0.29	-	-	-	-	0.36	0.36	-	-	0.59	0.65
Travel charges payable	-	0.02	-	-	-	-	-	-	-	-	-	0.02
Investments	-	-	0.45	0.45	-	-	-	-	-	-	0.45	0.45

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55 DISCLOSURE AS PER MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025, ISSUED VIDE CIRCULAR NO. RBI/DOR/2025-26/359 DOR.ACC.REC.NO.278/21.04.018/2025-26 DATED NOVEMBER 28, 2025 AS AMENDED (Contd.)

(xxxv) Instances of breach of covenant of loan availed or debt securities issued:-

There was no instances of breach of covenant of loans availed or debt securities issued, during the current year.

During the previous year, the Company has witnessed a surge in delinquencies due to multiple factors such as the macro-economic, socio-political events, over leveraging and climatic shocks. These induced disruption caused many of the borrowers across the microfinance industry to face challenges in servicing their loans on-time resulting in elevated PAR, GNPA, write offs and accelerated provisioning. Though the Company has been regular in servicing all its borrowings, including interest and principal obligations, without any defaults during the year, there have been instances of breach of covenants relating to certain loans and debt securities outstanding as at 31 March 2025. The breaches primarily pertain to financial performance thresholds, including deterioration in key asset quality parameters such as Portfolio at Risk (PAR), Gross Non-Performing Assets (GNPA), and elevated credit costs, which arose due to sector-wide stress in the Microfinance industry. The Company was not immune to this industry trend and witnessed breach of some of the covenants. All instances of breach of covenant of loan availed or debt securities issued are outlined in the below table:

Instrument Type	Year ended March 31, 2026		Year ended March 31, 2025	
	Amount involved	No of Instances	Amount involved	No of Instances
Debt securities	-	-	2,863	4
Term Borrowings in Foreign Currency (ECB)	-	-	12,864	5
Term Loans	-	-	9,813	12
	-	**-**	**25,540**	**21**

Matrix	Description of Key Financial Covenant	Covenant Threshold	Status as of March 31, 2025
Profitability	Return on Assets (ROA)	> 1%	Negative
Profitability	Profit After Tax (PAT) (Quarterly)	Positive	Negative
Profitability	Profit After Tax (PAT)	Positive	Negative
Profitability	ROE (Return on Equity)	> 10%	Negative
Portfolio Quality	Write-off as % of Average 5 Quarter AUM	< 2%	2.93%
Portfolio Quality	Composite Risk Indicator: PAR30 (On book) + RSL + Net Charge-off as % of GLP	< 10%	12.05%
Portfolio Quality	PAR30 (On book) + Write-off (12M rolling)	< 7%	11.90%
Portfolio Quality	PAR30 (On book) + Security Receipts (SR) + Restructured Loans (RL) to GLP	< 10%	11.08%
Portfolio Quality	GNPA (Gross Non-Performing Assets)	< 3 - 4.5%	4.84%
Portfolio Quality	PAR30 (On book only)	< 5%	8.66%
Portfolio Quality	NNPA (Net Non-Performing Assets)	< 1%	1.34%

Despite the covenant breaches, the Company has engaged in discussions with its lenders and has not received any notice of adverse action, such as invocation of penal interest clauses, downgrade in facility rating, or recall of facilities etc. The management, therefore, does not expect any material impact on the Company's financial position as of the date of the financial statements. Further, there was no breach of covenant of loans availed or debt securities issued by the Company during the year ended March 31, 2025.

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(xxxvi) Disclosure pursuant to Reserve Bank of India notification RBI/DNBR/2016-17/45 Master Direction DNBR. PD.008/03.10.119/2016-17 updated as on December 29, 2022 pertaining to gold loans.

	As at March 31, 2026	As at March 31, 2025
No of loan Accounts	620	1,539
Outstanding Loan Amount	49.45	103.01
Sale Consideration	56.72	111.54
Whether any sister concerns participated in the auction	No	No

56 PERCENTAGE OF LOANS GRANTED AGAINST COLLATERAL OF GOLD JEWELLERY TO TOTAL ASSETS

	As at March 31, 2026	As at March 31, 2025
Gold Loans granted against collateral of gold jewellery	26.01	698.12
Total assets of the Company	1,26,848.05	1,08,570.21
Percentage of Gold Loans to Total Assets	0.02%	0.64%

57 LIQUIDITY COVERAGE RATIO:-

As per RBI guidelines no DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 Dated November 04, 2019, NBFCs assets with more than ₹5,000 crores, required to maintain Liquidity Coverage Ratio (LCR) as mentioned therein. The Liquidity Coverage Ratio (LCR) is one of the key parameters closely monitored by RBI to enable a more resilient financial sector. The objective of the LCR is to promote an environment wherein Balance Sheet carries a strong liquidity for short term cash flow requirements. To ensure strong liquidity NBFCs are required to maintain adequate pool of unencumbered high-quality liquid assets (HQLA) which can be easily converted into cash to meet their stressed liquidity needs for 30 calendar days. The LCR is expected to improve the ability of financial sector to absorb the shocks arising from financial and/or economic stress, thus reducing the risk of spill over from financial sector to real economy.

The Liquidity Risk Management of the Company is managed by the Asset Liability Committee (ALCO) under the governance of Board approved Liquidity Risk Framework and Asset Liability Management policy. The LCR levels for the Balance Sheet date is derived by arriving the stressed expected cash inflow and outflow for the next calendar month. To compute stressed cash outflow, all expected and contracted cash outflows are considered by applying a stress of 15%. Similarly, inflows for the Company is arrived at by considering all expected and contracted inflows by applying a haircut of 25%.

The Company, for the purpose of computing outflows, has considered: (1) all the contractual debt repayments, and (2) other expected or contracted cash outflows. Inflows comprises of: (1) expected receipt from all performing loans, and (2) liquid investment which are unencumbered and have not been considered as part of HQLA.

For the purpose of HQLA, the Company considers: (1) Unencumbered Government securities, and (2) Cash and Bank balances.

The LCR is computed by dividing the stock of HQLA by its total net cash outflows over one-month stress period. LCR guidelines have become effective from December 01, 2020, requiring NBFCs to maintain minimum LCR of 50%, LCR is increased to 100% from December 2024. The Company has complied with this minimum requirement.

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57 LIQUIDITY COVERAGE RATIO (Contd.)

The disclosure on Liquidity Coverage Ratio of the Company for the year ended March 31, 2026 is as under:

Particulars	Quarter ended March 31, 2026		Quarter ended December 31, 2025		Quarter ended September 30, 2025		Quarter ended June 30, 2025	
	Total Unweighted Value (Average)[#]	Total Weighted Value (Average)[@]	Total Unweighted Value (Average)[#]	Total Weighted Value (Average)[@]	Total Unweighted Value (Average)[#]	Total Weighted Value (Average)[@]	Total Unweighted Value (Average)[#]	Total Weighted Value (Average)[@]
High Quality Liquid Assets (HQLA)								
Cash and bank balance	3,799.97	3,799.97	3,742.81	3,742.81	3,548.89	3,548.89	3,698.13	3,698.13
Government Securities	1,237.87	1,237.87	1,248.19	1,248.19	1,254.78	1,254.78	1,267.09	1,267.09
	5,037.84	**5,037.84**	**4,991.00**	**4,991.00**	**4,803.67**	**4,803.67**	**4,965.22**	**4,965.21**
Cash Outflows								
Deposits	-	-	-	-	-	-	-	-
Unsecured wholesale funding	-	-	-	-	-	-	-	-
Secured wholesale funding	-	-	-	-	-	-	-	-
Additional requirements, of which								
i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
Other contractual funding obligations	6,362.22	7,316.55	6,165.59	7,090.43	5,978.07	6,874.78	5,613.98	6,456.08
Other contingent funding obligations	-	-	-	-	-	-	-	-
	6,362.22	**7,316.55**	**6,165.59**	**7,090.43**	**5,978.07**	**6,874.78**	**5,613.98**	**6,456.08**
Cash Inflows								
Secured Lending	-	-	-	-	-	-	-	-
Inflows from fully performing exposures	6,877.43	5,158.07	5,880.74	4,410.56	5,815.70	4,361.78	5,972.90	4,479.68
Other cash inflows	-	-	-	-	-	-	-	-
	6,877.43	**5,158.07**	**5,880.74**	**4,410.56**	**5,815.70**	**4,361.78**	**5,972.90**	**4,479.68**
75% of Stressed Outflows		5,487.41		5,317.82		5,156.09		4,842.06
Total Net Cash Outflows		2,158.48		2,679.87		2,513.00		1,976.40
Liquidity Coverage Ratio		**233.40%**		**186.24%**		**191.15%**		**251.22%**

The disclosure on Liquidity Coverage Ratio of the Company for the year ended March 31, 2025 is as under:

Particulars	Quarter ended March 31, 2025		Quarter ended December 31, 2024		Quarter ended September 30, 2024		Quarter ended June 30, 2024	
	Total Unweighted Value (Average)[#]	Total Weighted Value (Average)[@]	Total Unweighted Value (Average)[#]	Total Weighted Value (Average)[@]	Total Unweighted Value (Average)[#]	Total Weighted Value (Average)[@]	Total Unweighted Value (Average)[#]	Total Weighted Value (Average)[@]
High Quality Liquid Assets (HQLA)								
Cash and bank balance	3,602.82	3,602.82	3,717.38	3,717.38	3,947.31	3,947.31	3,278.12	3,278.12
Government Securities	1,239.82	1,239.82	1,240.80	1,240.80	13.49	13.49	-	-
	4,842.64	**4,842.64**	**4,958.18**	**4,958.18**	**3,960.80**	**3,960.80**	**3,278.12**	**3,278.12**
Cash Outflows								
Deposits	-	-	-	-	-	-	-	-
Unsecured wholesale funding	-	-	-	-	-	-	-	-
Secured wholesale funding	-	-	-	-	-	-	-	-
Additional requirements, of which								

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(All amounts in ₹ millions, unless stated otherwise)

57 LIQUIDITY COVERAGE RATIO (Contd.)

Particulars	**Quarter ended March 31, 2025**		**Quarter ended December 31, 2024**		**Quarter ended September 30, 2024**		**Quarter ended June 30, 2024**	
	Total Unweighted Value (Average)[#]	**Total Weighted Value (Average)[@]**	**Total Unweighted Value (Average)[#]**	**Total Weighted Value (Average)[@]**	**Total Unweighted Value (Average)[#]**	**Total Weighted Value (Average)[@]**	**Total Unweighted Value (Average)[#]**	**Total Weighted Value (Average)[@]**
i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
Other contractual funding obligations	5,768.86	6,634.19	6,304.72	7,250.42	5,694.35	6,548.51	6,280.38	7,222.44
Other contingent funding obligations	-	-	-	-	-	-	-	-
	5,768.86	**6,634.19**	**6,304.72**	**7,250.42**	**5,694.35**	**6,548.51**	**6,280.38**	**7,222.44**
Cash Inflows								
Secured Lending	-	-	-	-	-	-	-	-
Inflows from fully performing exposures	6,832.07	5,124.06	7,123.37	5,342.52	7,018.27	5,263.70	6,997.37	5,248.03
Other cash inflows	-	-	-	-	-	-	-	-
	6,832.07	**5,124.06**	**7,123.37**	**5,342.52**	**7,018.27**	**5,263.70**	**6,997.37**	**5,248.03**
75% of Stressed Outflows		4,975.65		5,437.82		4,911.38		5,416.83
Total Net Cash Outflows		1,658.55		1,907.90		1,637.13		1,974.41
Liquidity Coverage Ratio		**291.98%**		**259.88%**		**241.94%**		**166.03%**

[#] Unweighted values are calculated as outstanding balances maturing or callable within one month (for inflows and outflows).

Averages are calculated basis simple average of daily observations over the previous quarter.

[@] Weighted values are calculated after the application of respective haircuts (for HQLA) and stress factors on inflow (75%) and outflow (115%).

LCR coverage ratio is based on Management estimations of future inflows and outflows which is relied upon by the auditors.

58 Previous year's figures have been regrouped and reclassified, wherever necessary to conform to current year's presentation/ classification.

For Suresh Surana & Associates LLP
Chartered Accountants
Firm's Registration No.: 121750W/W100010

Ramesh Gupta
Partner
Membership No.: 102306
Place: Mumbai

For and on behalf of the Board of Directors of
Muthoot Microfin Limited
CIN : L65190MH1992PLC066228

Thomas Muthoot John
Executive Director
DIN: 07557585
Place: Mumbai

Thomas Muthoot
Director
DIN: 00082099
Place: Mumbai

Thomas George Muthoot
Director
DIN: 00011552
Place: Mumbai

Sadaf Sayeed
Chief Executive Officer

Praveen T
Chief Financial Officer

Neethu Ajay
Chief Compliance Officer
& Company Secretary
Membership No.: A34822

Notes Forming Part of Financial Statements

for the year ended March 31, 2026
(All amounts in ₹ millions, unless stated otherwise)

ANNEXURE

Append to the Balance Sheet of non-banking financial company (as required in terms of Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, issued by Reserve Bank of India vide circular no. RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 - November 28, 2025 as amended.

Liabilities Side

1 Loans and advances availed by the non banking financial company inclusive of interest accrued thereon but not paid:

Particulars		Year ended March 31, 2026		Year ended March 31, 2025	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
a)	Debentures:				
	Secured	9,617.47	-	5,636.63	-
	Unsecured (other than falling within the meaning of public deposits)	-	-	-	-
b)	Deferred Credits	-	-	-	-
c)	Term Loans	85,046.85	-	73,627.58	-
d)	Inter Corporate loans and borrowings	-	-	-	-
e)	Commercial Paper	808.63	-	-	-
f)	Public Deposits	-	-	-	-
g)	Other Loans				
	Collateralised Borrowings	-	-	-	-
		95,472.96	**-**	**79,264.21**	**-**

2 Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid)

Particulars		Year ended March 31, 2026		Year ended March 31, 2025	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
a)	In the form of Unsecured debentures	-	-	-	-
b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
c)	Other public deposits	-	-	-	-

Assets Side

3 Breakup of Loans and Advances including bills receivables (other than those included in (4) below)

Particulars		Amount Outstanding	
		Year ended March 31, 2026	Year ended March 31, 2025
a)	Secured	600.26	822.64
b)	Unsecured	1,07,584.51	92,348.67

Notes Forming Part of Financial Statements

for the year ended March 31, 2026

(All amounts in ₹ millions, unless stated otherwise)

ANNEXURE (Contd.)

4 Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities

Particulars	Amount Outstanding	
	Year ended March 31, 2026	Year ended March 31, 2025
i) Lease assets including lease rentals under sundry debtors:		
a) Financial Lease	-	-
b) Operating Lease	-	-
ii) Stock on hire including hire charges under sundry debtors:		
a) Assets on hire	-	-
b) Repossessed Assets	-	-
iii) Other loans counting towards asset financing activities		
a) Loans where assets have been repossessed	-	-
b) Loans other than (a) above	-	-

5 Break up of Investments

Particulars	Amount Outstanding	
	Year ended March 31, 2026	Year ended March 31, 2025
Current Investments:		
1 Quoted:		
i) Shares		
a) Equity	-	-
b) Preference	-	-
ii) Debentures and Bonds	-	-
iii) Units of mutual funds	-	-
iv) Government Securities	-	-
v) Others	-	-
2 UnQuoted:		
i) Shares		
a) Equity	-	-
b) Preference	-	-
ii) Debentures and Bonds	-	-
iii) Units of mutual funds	-	-
iv) Government Securities	-	-
v) Others	-	-
Long term Investments:		
1 Quoted:		
i) Shares		
a) Equity	-	-
b) Preference	-	-
ii) Debentures and Bonds	-	-
iii) Units of mutual funds	-	-
iv) Government Securities	1,223.36	1,261.11
v) Others	-	-

Notes Forming Part of Financial Statements

for the year ended March 31, 2026
(All amounts in ₹ millions, unless stated otherwise)

ANNEXURE (Contd.)

Particulars	Amount Outstanding	
	Year ended March 31, 2026	Year ended March 31, 2025
2 UnQuoted:		
i) Shares		
a) Equity	0.45	0.45
b) Preference	-	-
ii) Debentures and Bonds	-	-
iii) Units of mutual funds	-	-
iv) Government Securities	-	-
v) Others	-	-
Investment in Security Receipts	2,834.48	2,281.86

6 Borrower groupwise classification of assets financed as in (2) and (3) above

Particulars	Year ended March 31, 2026			Year ended March 31, 2025		
	Amount net of Provisions			Amount net of Provisions		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1) Related Parties						
a) Subsidiaries	-	-	**-**	-	-	**-**
b) Companies in the same group	-	-	**-**	-	-	**-**
c) Other related parties	-	-	**-**	-	-	**-**
2) Other than related parties	600.26	1,07,584.51	**1,08,184.77**	822.64	92,348.67	**93,171.31**
	600.26	**1,07,584.51**	**1,08,184.77**	**822.64**	**92,348.67**	**93,171.31**

7 Investor groupwise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Particulars	Year ended March 31, 2026		Year ended March 31, 2025	
	Market Value/ Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value/ Break up or fair value or NAV	Book Value (Net of Provisions)
1) Related Parties				
a) Subsidiaries	-	-	-	-
b) Companies in the same group	-	-	-	-
c) Other related parties	0.45	0.45	0.45	0.45
2) Other than related parties	4,057.84	4,057.84	3,542.97	3,542.97
	4,058.29	**4,058.29**	**3,543.42**	**3,543.42**

Notes Forming Part of Financial Statements

for the year ended March 31, 2026
(All amounts in ₹ millions, unless stated otherwise)

ANNEXURE (Contd.)

8 Other information

		As at March 31, 2026	As at March 31, 2025
i)	Gross Non Performing Assets		
	a) Related Parties	-	-
	b) Other than related parties	4,209.21	4,511.67
ii)	Net Non Performing Assets		
	a) Related Parties	-	-
	b) Other than related parties	1,198.16	1,203.63
iii)	Assets acquired in satisfaction of debt	-	-

For and on behalf of the Board of Directors of
Muthoot Microfin Limited
CIN : L65190MH1992PLC066228

Thomas Muthoot John
Executive Director
DIN: 07557585
Place: Mumbai

Thomas Muthoot
Director
DIN: 00082099
Place: Mumbai

Thomas George Muthoot
Director
DIN: 00011552
Place: Mumbai

Sadaf Sayeed
Chief Executive Officer

Place: Mumbai

Praveen T
Chief Financial Officer

Place: Mumbai

Neethu Ajay
Chief Compliance Officer
& Company Secretary
Membership No.: A34822
Place: Mumbai

NOTES

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A Muthoot Pappachan Group Company

Muthoot Microfin Limited

Regd. Off.: 13th Floor, Parinee Crescenzo,
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Admin. Off.: 5th Floor, Muthoot Towers, M.G. Road, Ernakulam - 682 035.

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