



MANAPPURAM FINANCE LIMITED

®

Make Life Easy

Ref: Sec/SE/092/2024-25
July 22, 2024

To

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400001

National Stock Exchange of India Limited
5th Floor, Exchange Plaza
Bandra (East)
Mumbai - 400 051

Dear Sir/ Madam,

Sub: Notice of the 32nd Annual General Meeting (AGM) and Annual Report 2023-24

Ref: Company Scrip Code: BSE: 531213, NSE: MANAPPURAM

Please be informed that the Thirty Second AGM of the shareholders of the Company for FY 2023-24 will be held on August 14, 2024, Wednesday at 11.00 a.m. (IST) at Latha Convention Centre (formerly known as Anugraha Auditorium) Valapad, Thrissur, Kerala-680567 to transact the business as detailed in the enclosed 32nd Notice of the AGM.

32nd AGM Notice, Attendance Slip and Proxy Form may be accessed through the company website at

<https://www.manappuram.com/investors/notice-to-shareholders>

32nd Annual Report can be accessed through the company website at

<https://www.manappuram.com/annual-reports>

Kindly take the same on your record.

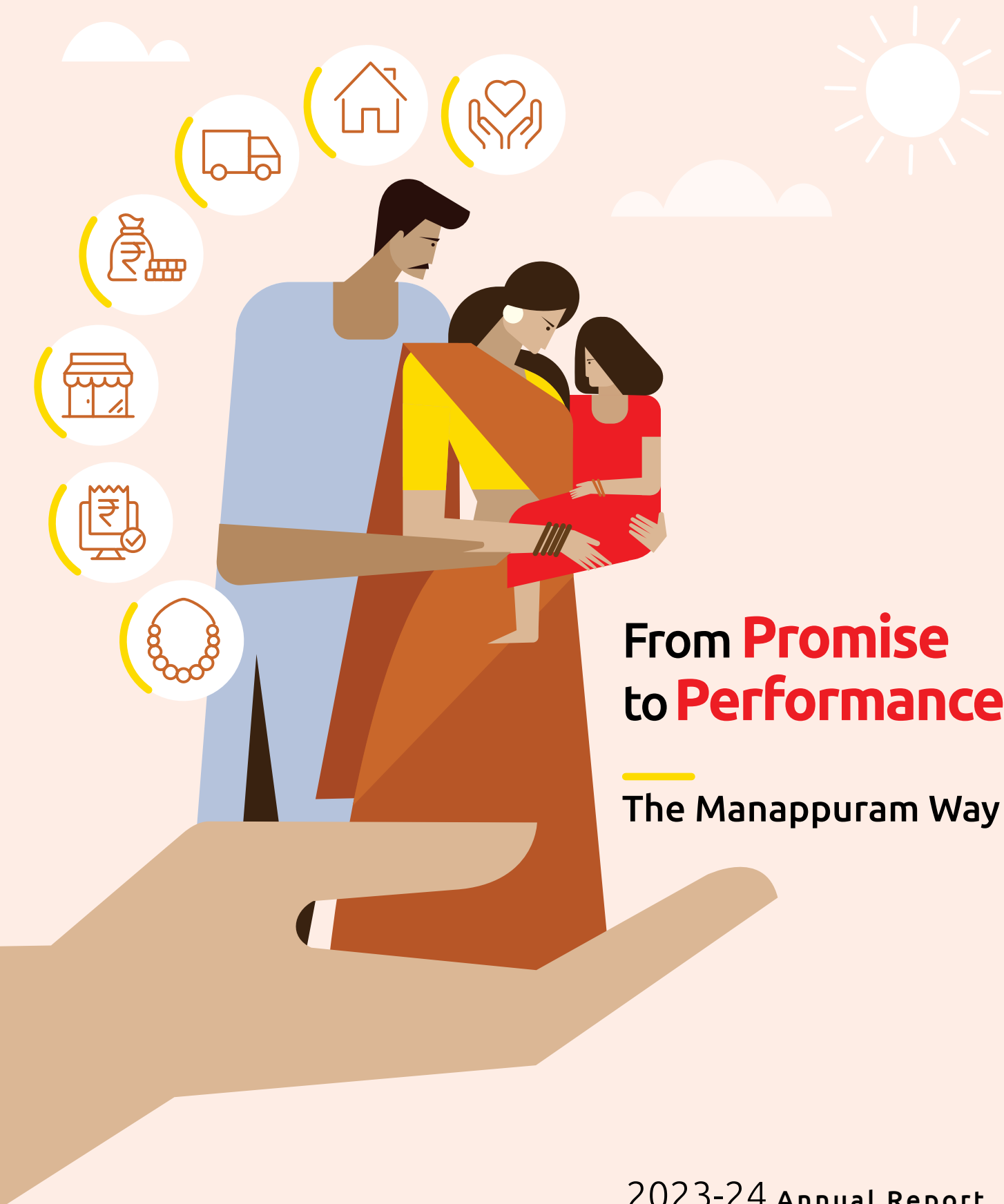
Yours Sincerely,

For Manappuram Finance Limited

Manoj Kumar V R
Company Secretary
Ph: +91 9946239999

India's First Listed and Highest Credit Rated Gold Loan Company

CIN: L65910KL1992PLC006623, Registered Office : W - 4/ 638A, Manappuram House, P.O. Valapad, Thrissur - 680 567, Kerala, India
Tel : 0487 - 3050100, 3050108 Fax : 0487 - 2399298 E mail : mail@manappuram.com Website : www.manappuram.com



From **Promise** to **Performance**

—
The Manappuram Way



MD's MESSAGE

**Transforming
Promises into Reality**



7594999984

TECHNOLOGY PROWESS

**Our Digital
Transformation**



BUSINESS SEGMENT REVIEW

**Diverse Solutions
Serving Various Needs**

Contents

Corporate Overview

- 02 From Promise to Performance
- 04 Company Overview
- 06 Our Pan-India Presence
- 08 MD's Message
- 10 Financial Performance
- 12 Technology Prowess
- 15 Brand and Marketing
- 16 Business Segment Review
- 28 Environmental, Social and Governance (ESG)
- 40 Awards and Accolades

Statutory Reports

- 42 Management Discussion and Analysis
- 58 Business Responsibility and Sustainability Report
- 94 Board's Report
- 163 Corporate Governance Report

Financial Statements

- 188 Standalone Financial Statements
- 324 Consolidated Financial Statements



To read this report online or to download please log on to
www.manappuram.com



Tribute to

V. C. Padmanabhan



Shri V. C. Padmanabhan belonged to the coastal fishing village of Valapad in Malabar district of the erstwhile Madras Presidency. He was committed to uplifting the economically weaker sections of the society, particularly the farmers, fishermen and agricultural laborers in his community. In 1949, he decided to help the people of his village by setting up his own small business of providing loans against the security of jewelry at affordable rates. Thus, began the story of Manappuram Finance Limited (MAFIL).

Over the years and decades, the Company has won the trust of millions of customers and has played a pivotal role in bringing underprivileged people into the fold of organized lending.

Driven by Shri Padmanabhan's values of trust and integrity, Manappuram Finance Limited has transformed itself into a full-fledged and well-diversified non-banking financial company (NBFC) that will continue to exceed customer expectations and help them fulfill their aspirations. Our core strengths of customer-centricity, stakeholder integrity and quick adoption of top-notch technology for seamless operations will help us stay ahead of the curve.

We will always look up to Shri Padmanabhan and stay true to his values in all our endeavors.



From **Promise** to **Performance**

The Manappuram Way

The fiscal year 2023-24 was a period of remarkable growth and transformation for Manappuram Finance. Imagine a year where technology takes the forefront, and our digital focus becomes sharper than ever – that’s precisely what we achieved. We made significant investments in technology, enhancing our digital capabilities and streamlining our operations to manage risks more effectively.

Our hard work yielded impressive results. We recorded an outstanding financial performance, with our AUM growing by 18%. Our PAT surpassed the ₹ 20,000 million mark, reaching an impressive ₹ 21,975 million, demonstrating robust growth of 46.5%. These figures are more than just numbers; they are a testament to our unwavering dedication to growth, excellence, and the fulfillment of our promises to our stakeholders.

However, we are not stopping here. The strides we made this year are setting the stage for even greater achievements in the future. Our journey reflects our commitment to strengthening our present operations to secure a brighter future for all our stakeholders. Welcome to the Manappuram Way, where we consistently turn promises into performance!



Manappuram Today

#2 lender

in gold loans in India (core product), with a trusted brand and nation-wide reach

Pioneer in process innovation

in gold loans (online gold loan product 'OGL' and cellular vaulting mechanism)

Calibrated approach to growth in other loan products

that are relevant to our customer base (small ticket home loans, used vehicles for self-employed customers) and MSME

₹ 88,480 Million
Consolidated Revenue

↑ 32.1% during 2023-24

₹ 21,975 Million
Consolidated PAT

↑ 46.5% during 2023-24

₹ 421 Billion
Consolidated AUM

↑ 18.7% during 2023-24

Branch network of **5,000+** branches with employee strength of

50,000+

on consolidated basis

Company DNA

Operational Rigor:

At Manappuram Finance, we have perfected the art of managing appraisal, custodial and valuation risks that are inherent in gold lending, with many firsts to its credit

Trusted brand:

Safekeeping of

59 MT

of household gold jewelry on behalf of

2.5 million

active customers

on consolidated basis

Appropriate Use of Technology:

Increasing focus on technology for sourcing and underwriting credit, as well as managing risk

Conservative Credit and Risk Management Culture:

Strict adherence to well-defined processes, including timely auctions well-capitalized (30.5% Tier 1 ratio), with strong ALM and access to diversified sources of funds

Top-down governance approach:

Robust Board-driven governance process

COMPANY OVERVIEW

Empowering Dreams, Enabling Futures: Your Financial Partner of Choice for Every Step

Since its inception in 1949, Manappuram Finance Limited has harbored an illustrious vision: to ascend as India's most revered financial services institution. Over the span of 75 remarkable years, our steadfast dedication has empowered countless customers to realize their dreams.

As a distinguished Non-Banking Financial Company (NBFC), Manappuram Finance proudly presents a diverse array of products and services, meticulously designed to meet the varied financial needs of our esteemed clientele. From gold loans to MSME financing, housing to vehicle loans, and insurance, our offerings reflect our commitment to comprehensive financial solutions. Guided by an unwavering dedication to customer service excellence, we have meticulously nurtured robust relationships, steering Manappuram Finance on a path of sustainable and inclusive growth.



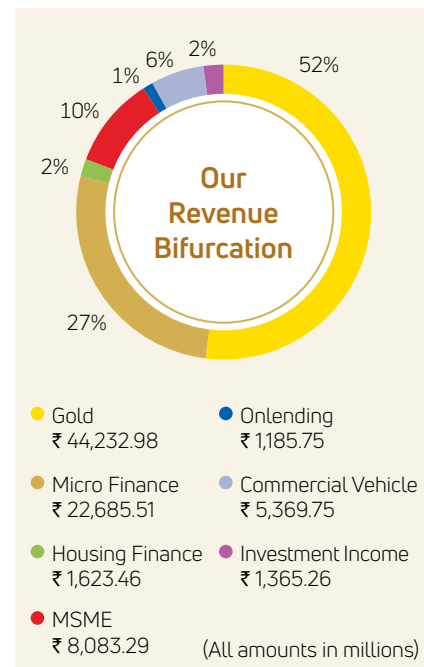
Vision

To become the financial partner of choice for under-banked customers across their lifecycle.



Mission

MAFIL is dedicated to the mission of bringing convenience to people's lives and making their lives easier. We offer secured and unsecured credit to meet their varied financial needs from instant gold loans to microfinance, affordable home loans, vehicle finance and more.



Our Values

Integrity

At MAFIL, we value our reputation for integrity in our dealings. We set great store by ethical values and transparency. We take pride in following the laws of the land in letter and spirit.

Unrelenting Customer Focus

We treat our customers with the utmost fairness. No matter what their economic status is, we offer everyone prompt and courteous service, with high levels of transparency.

Cutting-Edge Technology

Technology is central to our vision. We continue to invest heavily in technology to enhance customer experience and drive efficiency in operations. We believe in tech-led innovations to deliver seamless and responsive financial services of ever greater value to customers.



Our Credit Ratings

Domestic Ratings

CRISIL Ratings

AA (Stable)

Long-term

A1+

Commercial Paper

CARE Ratings

AA (Stable)

Long-term

A1+

Commercial Paper

International Ratings

S&P Global

BB - /Stable

Long-term

B

Short-term

Fitch Ratings

BB - /Stable

Long-term

Asirvad Micro Finance

CRISIL Ratings

AA-/Stable

Long-term

A1+

Short-term

CARE Ratings

AA-/Stable

Housing Finance Business

CRISIL Ratings

AA-/Stable

Long-term

A1+

Short-term

CARE Ratings

AA-/Stable

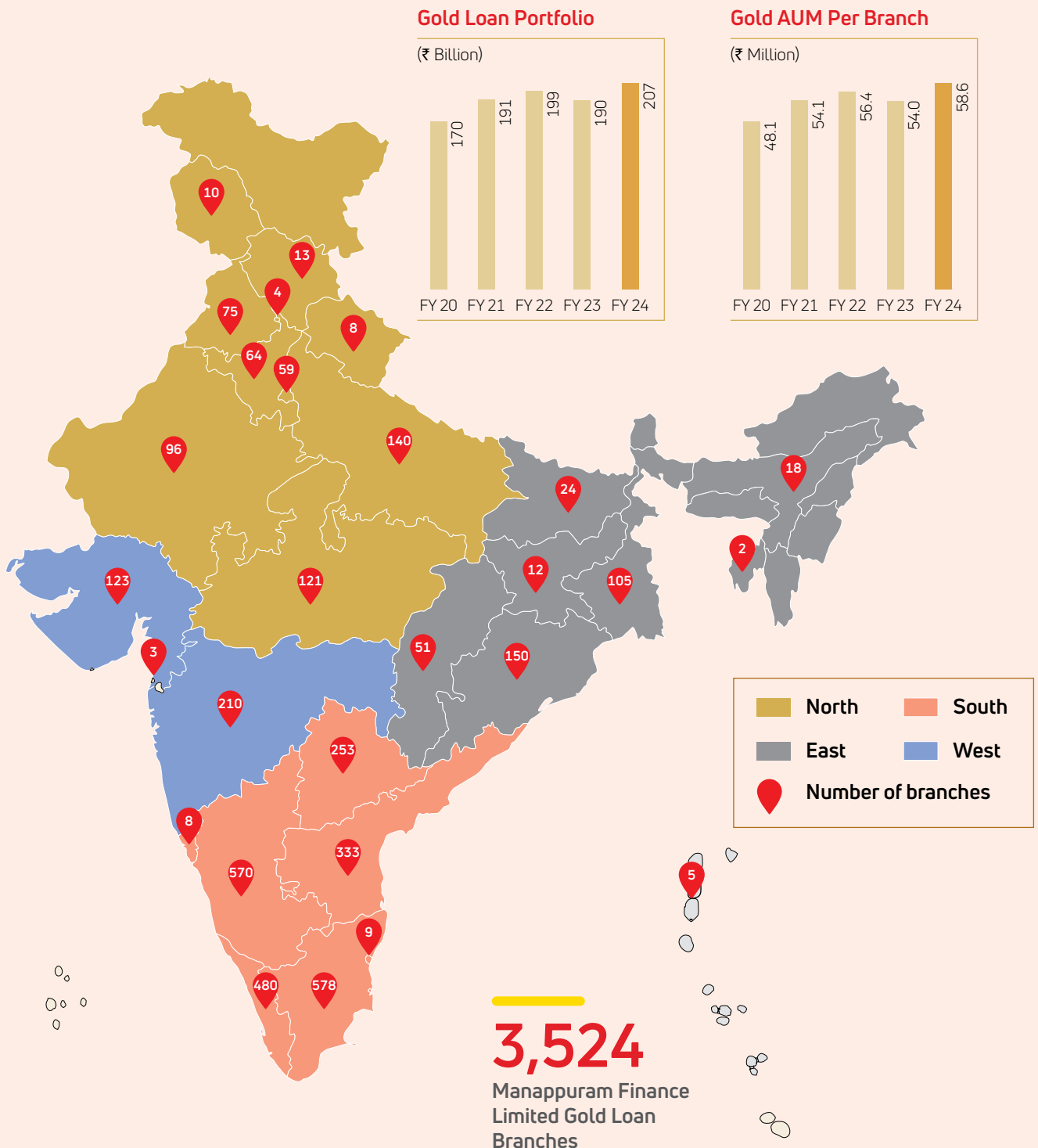
Long-term



OUR PAN-INDIA PRESENCE

Promise to Serve Every Corner

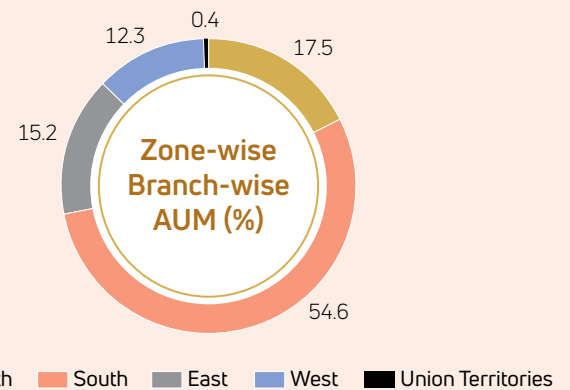
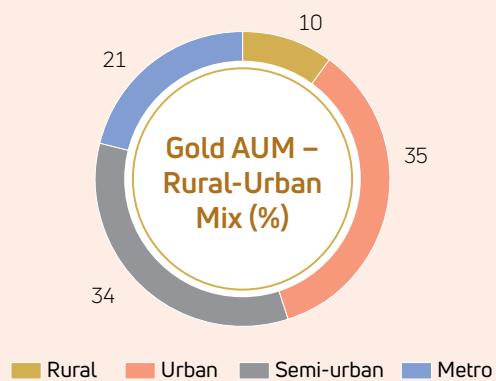
Motivated by the goal of reaching every Indian and enabling them, we've not only embraced a digital model but also established a robust pan-India presence with a network of branches, ensuring convenient customer access.



Map not to scale. For illustrative purposes only



Gold AUM – Rural-Urban Mix (%)



North 17.5%

State	No. of Branches
Jammu & Kashmir	10
Himachal Pradesh	13
Chandigarh	4
Delhi	59
Punjab	75
Uttarakhand	8
Haryana	64
Uttar Pradesh	140
Rajasthan	96
Madhya Pradesh	121
Total	590

South 54.6%

State	No. of Branches
Karnataka	570
Kerala	480
Telangana	253
Andhra Pradesh	333
Tamil Nadu	578
Total	2,214

East 15.2%

State	No. of Branches
Assam	18
Bihar	24
Tripura	2
Jharkhand	12
West Bengal	105
Chhattisgarh	51
Odisha	150
Total	362

West 12.3%

State	No. of Branches
Maharashtra	210
Goa	8
Gujarat	123
Total	341

Union Territories 0.4%

State	No. of Branches
Daman Diu	3
Andaman & Nicobar	5
Puducherry	9
Total	17

MD'S MESSAGE

Transforming Promises into Reality



Dear Shareholders,

At the outset, I am extremely delighted to present before you the Annual Report of your company for the financial year ended March 2024. Your company displayed stellar financial performance in the year gone by, leveraging on the strength of the Indian economy.

Your company continues to embark on a journey of expansion, innovation, and unwavering customer-centricity. The company continues to surpass conventional boundaries, delivering extraordinary value to customers and stakeholders.

The year 2024 holds special significance as we have nearly achieved our target AUM mix of 50-50 between Gold and Non-Gold segments. The enduring impact of our Company on the NBFC sector serves as a source of inspiration to all of us. As we reflect on the past year and the journey we have traversed, I am happy to share the highlights with all of you.

Economic Landscape

In 2023-24, the global economy moved from a period of turbulence to one of recovery. In its latest World Economic Outlook, IMF forecasts global economy to grow by 3.2% in 2024. A worldwide moderation in inflation has allowed central banks to temporarily pause interest rate hikes. However, geopolitical tensions continue to pose challenges. Despite these obstacles, emerging economies remain resilient and will play a significant role in driving global growth momentum. India retained the fastest growing



economy tag in FY 2023-24 with a growth rate of 8.2%.

As the fastest-growing economy, India has become a global magnet for foreign investments, solidifying its reputation as an emerging power. This rapid growth is fueled by a favorable business environment. The manufacturing sector has been a standout performer, growing by 10% in FY 2023-24, with the potential to become a US\$ 1 trillion industry by 2025-26. This growth is driven by initiatives like 'Make in India' and supported by schemes such as the Production Linked Incentives (PLI), which attracted investments in key sectors. The China+1 factor is also playing out in our favor.

We anticipate a future brimming with opportunities. A stable political dispensation adds to the growth momentum and catalyzes the journey towards a Viksit Bharat by 2047.

Strategic Review

Embracing the philosophy that change is the only constant, your company has evolved from a product-centric model to a customer-centric approach. While our gold business remains the cornerstone of our operations, we have strategically diversified into sectors like Microfinance, Vehicle Finance, and Housing Finance. This strategic realignment has not only expanded our revenue streams and assets under management (AUM) but also allowed us to offer a comprehensive suite of financial products under one roof, effectively catering to the diverse financial needs of our customers. As India urbanizes and formalizes at a fast pace, the fruits of these efforts will be ready for harvest in the years to come.

The diversification strategy serves a dual purpose. From a customer perspective, it provides the convenience of multiple financial solutions under one umbrella, enhancing the overall customer experience. From a business standpoint, it reduces concentration risks. Even as we leverage technology to optimize operational efficiency, the company always ensures the much-needed human touch when it comes to managing customer relationships.

Embracing Technology

Your company continues to enhance the capability to offer customer service by undertaking suitable upgradation and upskilling of employees. Embracing technological innovation, we have undertaken several transformative initiatives. Our improved KYC system, for instance, has transitioned from manual entries to an advanced OCR-based technology that automatically detects and fills text and images. This enhancement has significantly accelerated the KYC process and virtually eliminated manual errors. Apart from seamless customer onboarding, it also serves the company well in terms of strict compliance with regulatory requirements.

We have bolstered cybersecurity measures, ensuring privacy and security of client data. Early adoption of online gold loan facility in 2016 has enabled us to effectively navigate regulatory changes, such as the RBI's recent mandate to adhere to a cash loan cap of ₹ 20,000.

Looking ahead, we are developing a robust data analytics system which is a crucial step in our commitment to superior risk management and personalized loan services. This forward-thinking approach underscores our dedication to leverage technology to enhance customer service and operational efficiency.

Our Financial Performance

I am delighted to share that your Company's financial performance remained robust throughout the year. True to our promise, we have delivered exceptional results. Our consolidated AUM grew by 18.7%, surpassing the ₹ 400 billion mark to reach ₹ 421 billion. On a consolidated basis, our PAT grew by 46.5% to reach ₹ 21,975 million. We also increased our returns, with ROA rising to 5.1% from 4.1% and ROE standing at 20.7% in FY 2023-24. The company remains well-capitalized with a capital adequacy ratio well above the regulatory minimum of 15%.

On a standalone basis, our Gold Loan AUM grew by approximately 9%, reaching ₹ 207 billion, while our net profit rose to ₹ 16,578 million from ₹ 12,663 million in the previous financial year. Our microfinance subsidiary, Asirvad, also demonstrated performance with a profit of ₹ 4,583 million, an 105% increase from the previous financial year.

Our vehicle finance business continues to post the highest growth, recording a 69% increase year-on-year with an AUM of ₹ 41,109 million. Additionally, our home loans saw a significant increase, with an AUM of ₹ 15,097 million, reflecting a 37.8% rise over FY 2022-23. Increased capex plans by the Government have a direct bearing on the vehicle finance segment. While robust infrastructure push augurs well for commercial vehicle finance, measures like higher MSP for agricultural products are expected to boost farm income and create demand for two-wheelers. Meanwhile, additional 3 crore houses under PM Awas Yojna should offer a tremendous boost to the housing finance segment, especially affordable housing. In the interim Union Budget, ₹ 80,000 crore had been earmarked for the housing sector.

Closing Thoughts

Even as we reflect on our past achievements and remarkable milestones in this diamond jubilee year, we eagerly look forward to the future with excitement and anticipation. The years ahead are sure to bring new challenges, growth opportunities, and groundbreaking achievements. With a legacy of dedication, expertise, and innovation, your company is ready to embark on this thrilling journey with unwavering determination. We extend our heartfelt gratitude to all our stakeholders, partners, and employees who have been crucial to our success. Together, let's march forward with confidence, ready to shape the future and make history.

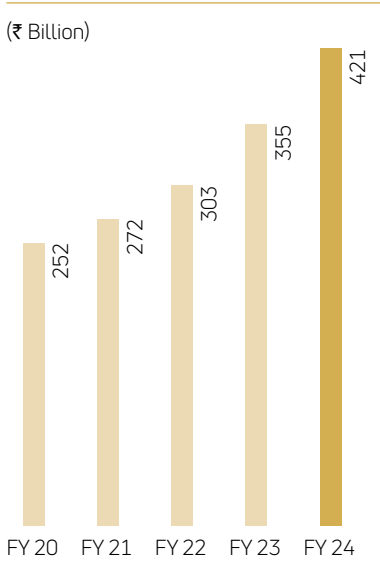
Warm regards,

V.P. Nandakumar
MD & CEO

FINANCIAL PERFORMANCE

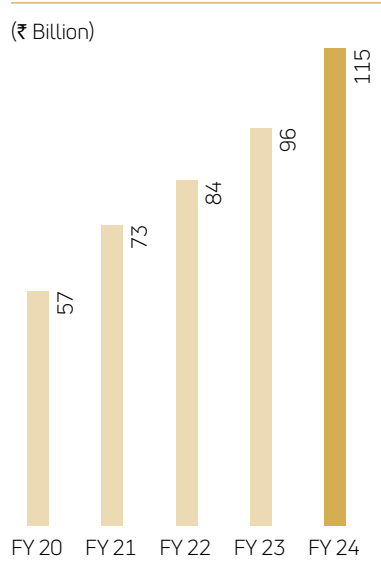
Delivering our Promise to Perform

Asset Under Management



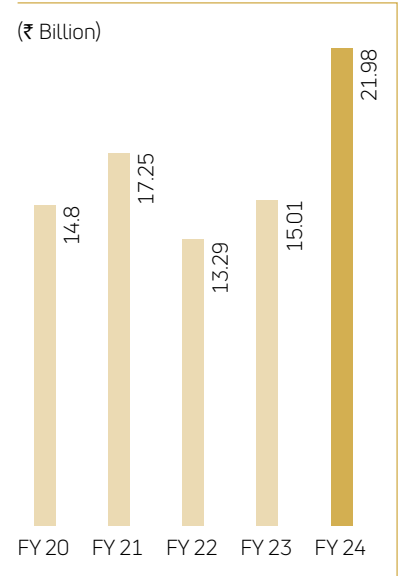
5-year CAGR 10.8%  YOY 18.7% 

Net Worth



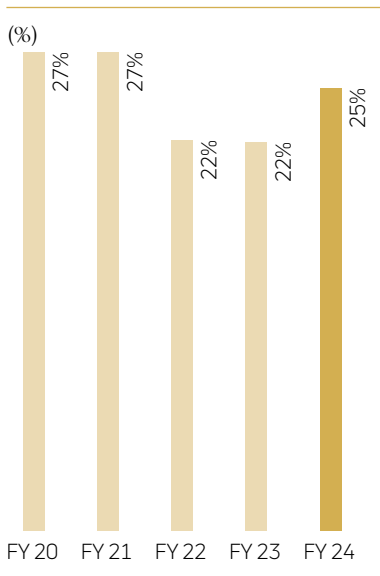
5-year CAGR 15.0%  YOY 19.7% 

PAT

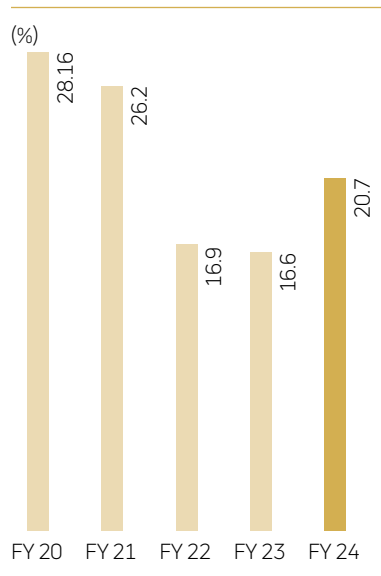


5-year CAGR 8.2%  YOY 46.5% 

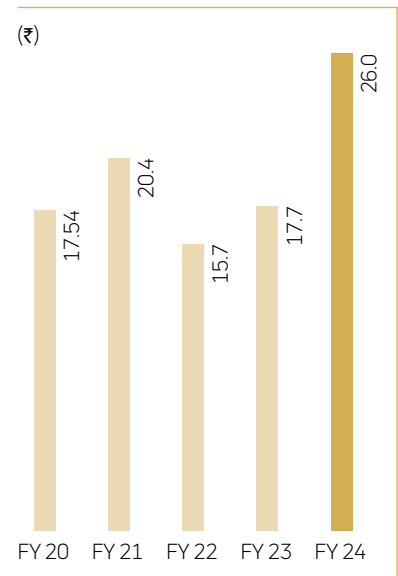
PAT Margins*



Return on Equity

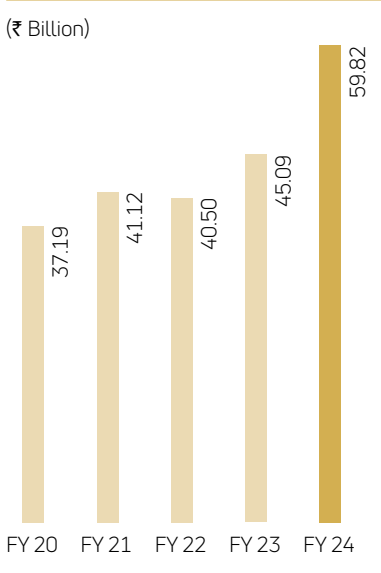


Earnings Per Share



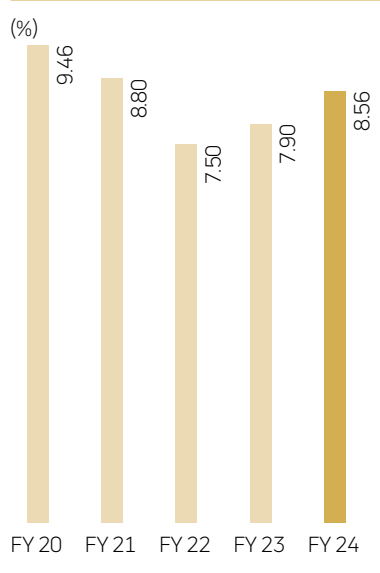


Net Interest Income

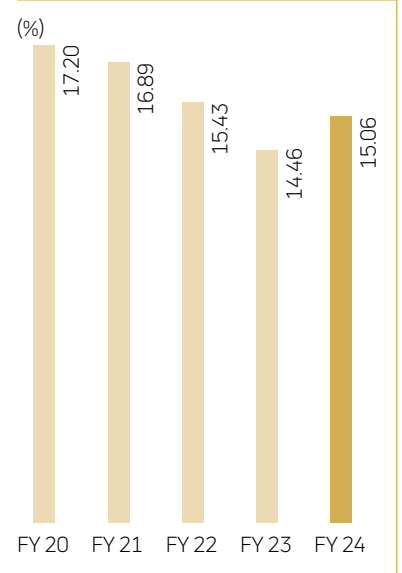


5-year CAGR 10% YOY 30.2%

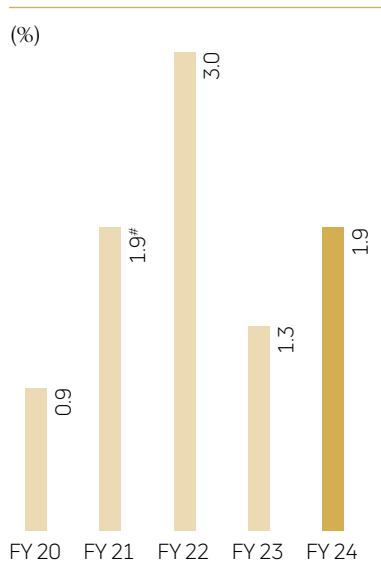
Cost of Borrowing**



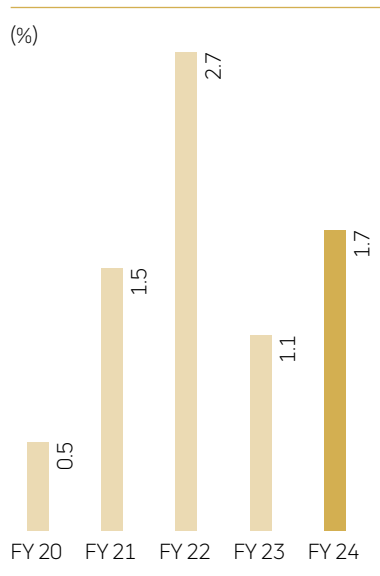
Net Interest Spread



Gross NPA**



Net NPA**



Impact of COVID-19

* PAT: Profit After Tax

** Gross NPA, Net NPA and Cost of Borrowing are standalone figures. All other figures are consolidated.

TECHNOLOGY PROWESS

Our Digital Transformation

₹ 893 million

Invested in technology

Our dedication to meeting our customers' evolving requirements drives us to consistently provide value on multiple fronts. Our ability to swiftly adapt to their increasing preference for the latest technology has made us a forward-thinking organization. Through fortifying our commitment to digital initiatives and delivering state-of-the-art technology to our clientele, we have attained significant success, positioning ourselves robustly for future expansion.

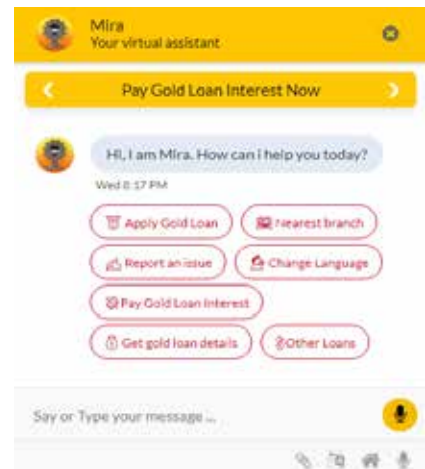
Enhancing Client Experiences with Intelligent Chatbots

WhatsApp Chatbot

The WhatsApp Chatbot serves as a bespoke financial advisor, readily accessible at any time. Integrated smoothly within WhatsApp, it enhances the ease and availability of managing gold loan services for customers. Whether they wish to apply for a gold loan, investigate doorstep loan services, compute the Loan to Value (LTV) ratio, find the nearest branch, or make interest payments, this chatbot supports them at every juncture. Offering instant LTV ratio calculations guarantees clarity and aids customers in making well-informed choices.

Website Chatbot (Mira)

Introducing Mira, the Manappuram Finance Website Chatbot, where the future of customer service is at their fingertips. Mira is designed to offer extensive support, guiding customers on loan applications, branch locations, interest payments, and loan details. With an intuitive interface and sophisticated AI technology, this chatbot guarantees a smooth and personalized interaction, making your financial journey effortless and efficient.





Robust Digital Platforms

MA-Money

Unified Digital Lending Platform

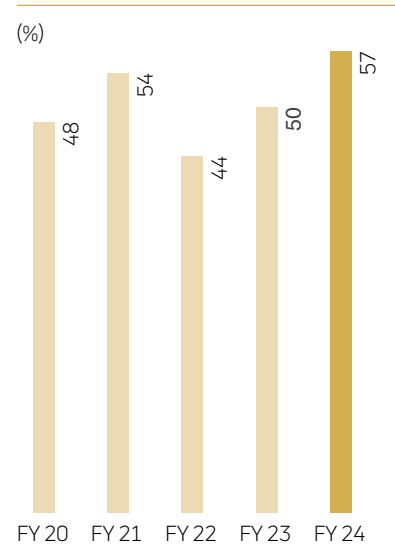


Our groundbreaking Unified Digital Lending Platform, MA-Money is an innovative platform that promises to revolutionize the future with its advanced facilities and cutting-edge technology. MA-Money emerges as a remarkable solution for swiftly providing secure and hassle-free quick loans in India. Customers can effortlessly apply for various loans online and submit the required scanned documents. Loan amounts are disbursed based on the loan type, truly embodying Manappuram's motto, 'Make Life Easy'.

Online Gold Loan App

The Manappuram OGL app empowers our customers to access gold loans anytime, anywhere, including from the comfort of their own homes. This convenient and user-friendly mobile app allows customers to pay interest, check account statements, and easily locate the nearest Manappuram Finance branch. Make the Manappuram OGL app our customer's trusted companion for all their financial needs. Embrace the ease of going digital with Manappuram Finance.

Share of OGL in the overall Gold AUM



MA-Auction

Digital Auction Application



Introducing MA-Auction, a revolutionary Digital Auction Application designed for quick and efficient auction processes. This innovative tool ensures that auctions are easy, error-free, transparent, and fast. The application operates at a three-tier access level, including Bidder, Proxy, and Auctioneer, providing tailored functionality for each role. Additionally, it features a robust MIS system, enabling us to track and monitor auction statuses and generate detailed reports. Users can also view the results of auctions conducted through this application, enhancing transparency and accessibility.

Improved KYC system

To enhance the efficiency of our KYC process, we have implemented OCR-based KYC verification. This advanced technology minimizes errors and accelerates the process by automatically reading documents and extracting details, as well as performing customer face-matching. Additionally, we are in the process of integrating e-KYC through biometric authentication, further simplifying the process for our customers. These innovations are designed to provide a seamless, secure, and swift KYC experience, easing our onboarding process.

Advanced Cybersecurity Management

We uphold a robust cybersecurity framework to ensure data security and customer privacy, which form the cornerstone of our IT infrastructure. Our data networking is outsourced to CPI, which meticulously monitors data traffic and fortifies our applications against data leaks. To maintain vigilant oversight, we have conducted internal IT audits in collaboration with PWC during the reporting year. Additional security measures include disabling all USB ports, implementing comprehensive antivirus protection, and blocking emails from external domains. This year, we are advancing our security protocols with the introduction of advanced threat protection. This system will identify and isolate any compromised systems, ensuring swift and effective threat mitigation.

Seamless Solutions for a Digital Customer Experience

Online Gold-Loan (OGL) Facility:

Leveraging the power of advanced technology alongside our trusted safe lock facility, we bring you unparalleled convenience and security. Enables customers to deposit gold and take additional loans through our mobile application, significantly reducing the need for branch visits.

Reverse Penny Drop Facility: Assists customers in adding bank accounts and making payments seamlessly. Additionally, the UPI payment facility reduces payment defaults.

Customer-built Platform: Addressed integration issues by migrating from outdated systems to a new, custom-built platform developed with our technological partner, Manappuram Comptech and Consultants Limited (MACOM). Successfully migrated around 2 lakhs of vehicle finance loans to the new system.



Innovating for the Future

Our Company is excited to announce several technological advancement projects currently in the pipeline, all designed to enhance customer experiences and streamline access. These innovative initiatives will introduce cutting-edge solutions, ensuring that our services are more accessible, faster, and more efficient than ever before. We revolutionize the way you interact with technology, bringing greater convenience and improved functionality right to your fingertips.

AI Implementation

We are enhancing our technological prowess by developing an AI-based chatbot leveraging the capabilities of ChatGPT. This advanced chatbot is designed to address customer queries with greater efficiency and accuracy. By integrating machine learning into the AI framework, we aim to continuously improve the chatbot's ability to resolve queries, ensuring a superior customer service experience. These innovations will empower us to provide prompt, precise, and personalized assistance, setting a new standard for customer interaction and support.

Establishing a Robust Data Analytics System

We are setting up a robust data analytics platform, a significant step forward in our commitment to superior risk management and personalized loan services. This advanced platform will enhance our decision-making process, allowing us to offer tailored personal loan services with greater precision and confidence. Building on our current limited data analytics capabilities, we foresee tremendous potential for growth and improvement. Additionally, the platform will enable us to delve deeper into our existing customer base, unlocking new opportunities for cross-selling and upselling. This strategic initiative positions us to better meet our customer's needs and drive our business forward.



BRAND AND MARKETING

Building Trust. Strengthening Brands.

Manappuram Finance stands as one of the most renowned and reliable brands in India. The credibility of our brand is reinforced by endorsements from top celebrities. Annually, we adopt a strategic blend of traditional and digital media in our branding initiatives to fortify our brand equity and establish a meaningful connection with our customers. Recognizing the exponential growth of social media, we have established a strong presence across various platforms, ensuring active engagement with our customer base.

Increasing Digital Presence

At Manappuram Finance, we ardently focus on harnessing the power of social media platforms to amplify our digital footprint and broaden our market reach. Our vibrant online presence is enriched with a diverse array of content, encompassing product details, interactive posts, branch details and client testimonials, among others. Further to increase our social media presence we have hired an agency which is helping us to increase our brand visibility.

Amplifying Reach with Celebrity Endorsements

To bolster our brand visibility and deepen market penetration, we have strategically engaged eight brand ambassadors, each targeting a specific region. These partnerships are designed to resonate with local audiences, leveraging the ambassadors' influence to create a stronger, more relatable connection with our brand across diverse markets. Through these targeted endorsements, we aim to amplify our reach and establish a more robust presence in each region.

Comprehensive Outreach for Enhanced Customer Engagement

We are dedicated to promoting our services by conducting door-to-door awareness campaigns, organizing loan fairs, visiting shops and homes, and distributing informative pamphlets and brochures. Through these extensive outreach efforts, we aim to connect with more customers and provide them with detailed information about our offerings.



7,07,653

Facebook Followers

25% ↑



94,474

LinkedIn Followers

12% ↑



50,138

Instagram Followers

31% ↑



1,43,806

YouTube Subscribers

873% ↑



15,461

Twitter Followers

24% ↑

Real-time Updates

Customers can get instant notifications about our latest deals directly on our favorite social media platforms (Facebook, Instagram, etc.).

Engaging Digital Campaigns

We create dynamic content showcasing our hottest offers across all our social media channels. Customers can check out for a fun and informative way to discover what's new.

WhatsApp for Everyone

We've launched a dedicated WhatsApp channel and WhatsApp chatting facility for our customers across India! Anybody can simply send us a message and get questions answered about our schemes and offers.

Toll-Free Convenience

Our toll-free number offers customers can connect with us directly for any inquiries you may have.

In short, we're making accessing information about our schemes and offers easier through our digital platforms.

BUSINESS SEGMENT REVIEW

Diverse Solutions **Serving Various Needs**



Gold Loans Business



Business Overview

As the second-largest gold loan provider in India, Manappuram Finance has emerged as a trusted brand with nationwide reach. We offer a variety of schemes tailored to diverse customer needs, setting us apart in the industry. One of our standout services is the "Gold Loans at Your Doorstep" feature, which saves customers time and travel costs by bringing our services directly to them.

Additionally, we have pioneered Online Gold Loans (OGL), empowering customers to securely deposit their gold in vaults at no cost. Our streamlined, paperless process ensures easy documentation, instant approval, and hassle-free 24/7 online repayment. We have perfected the art of managing the appraisal, custodial, and valuation risks inherent in gold lending, ensuring a seamless and secure experience for our customers.

Online gold loans superior for customers

- First NBFC to launch Online Gold Loan (OGL) in September 2015.
- Facility enables customers to avail a gold loan anytime, from anywhere in the world against gold stored in Manappuram branch.
- Instant fund transfer up to pre-approved limits.
- Online App is available in different regional languages for ease of customers.
- Easy documentation, instant approval, convenient 24x7 online repayment.
- Hassle-free, paper-less transactions online.

Key developments during the year

- Significant operating expense leverage as new branches mature.
- Manappuram has undertaken various cost-rationalization initiatives.
- Low interest rate sensitivity is given the small ticket size, the short tenor of up to one year and the convenience of the product.
- Achieved a 50:50 ratio in Gold and Non-Gold Assets Under Management (AUM).
- Gold AUM climbed to ₹ 207 billion, reflecting a 8.6% increase over the previous fiscal year.
- Net yields on gold loans remained stable at 22.5%.
- GNPA and NNPA are below the 2% mark, standing at 1.9% and 1.7% respectively.
- Implemented stringent purity assessment protocols to ensure the highest quality standards.

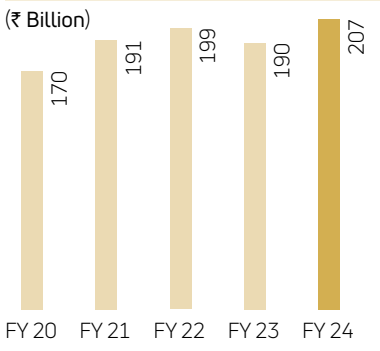
Factors driving growth

- Online Gold Loan
- Digital marketing
- Local marketing activities
- Celebrity endorsements
- Business associates/DSA channel business
- Doorstep gold loan
- Relocation and revitalization of non-performing branches



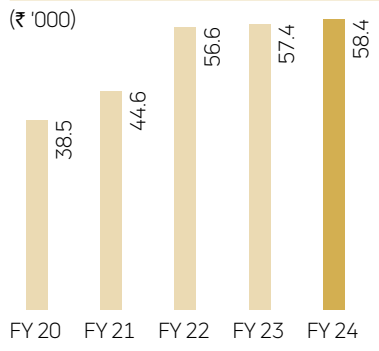
Our performance during the year

Gold Loan AUM



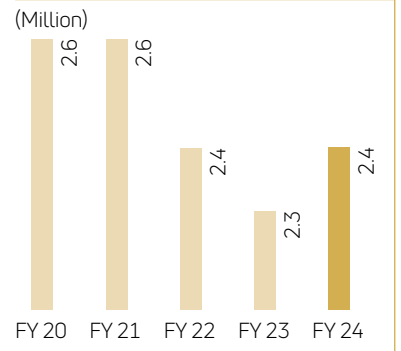
5-year CAGR 4.02% YOY 8.6%

Avg. Loan Ticket Size

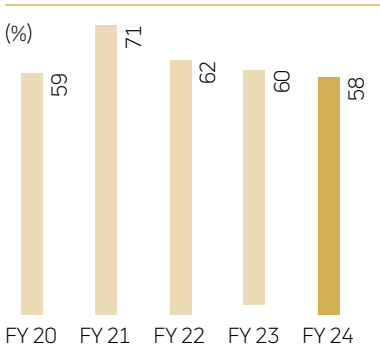


5-year CAGR 8.7%

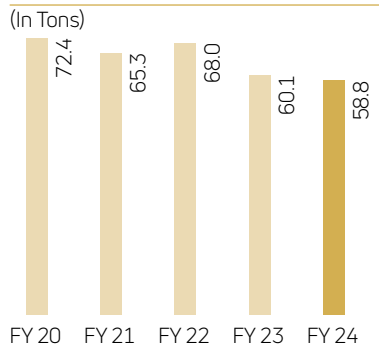
Customer Base



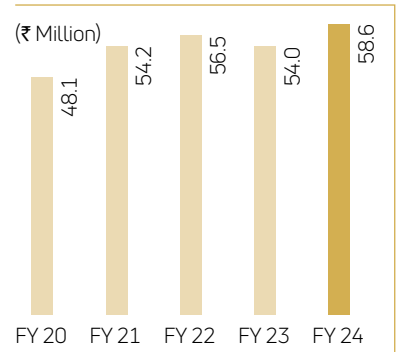
Loan to Value Ratio



Gold Holdings



Average Gold AUM Per Branch



5-year CAGR 4.02%





Micro Finance Business

(Asirvad Micro Finance Limited)



Business Overview

Asirvad Micro Finance Limited (AMFL) a non-banking finance company ("NBFC") - microfinance institution ("MFI") offering microfinance loans to low-income women, thereby promoting inclusive growth, through servicing and empowering an unbanked population who are socially and economically underprivileged. AMFL commenced operations in 2008, with two branches in Tamil Nadu and have grown to become an MFI with a pan-India presence. In addition, AMFL offers secured Loans against Gold and MSME Loans to small business owners and self-employed individuals.

Key developments during the year

- The segment demonstrated strong performance with a net profit growth of 105%, reaching ₹ 4,583 million, up from ₹ 2,234 million in the previous fiscal year.
- Our subsidiary Asirvad Revenue from operations increased by 56% to ₹ 26,813 million as of March 31, 2024, compared to ₹ 17,152 million as on March 31, 2023.
- Asirvad Micro Finance Limited filed its DRHP on October 5, 2023.

24.82%
ROE

4.18%
ROA

3.75%
GNPA

1.71%
NNPA

22.79%
CAR





Housing Finance Business



Business Overview

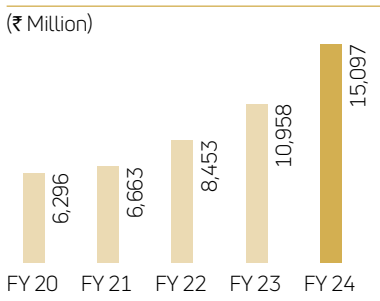
Manappuram’s housing finance operations are conducted through its subsidiary, Manappuram Home Finance Limited (MAHOFIN). This housing finance arm offers cost-effective housing loans, targeting mid-to-low-income groups with amounts up to ₹ 1.5 million, and approximately 78% of its clientele are self-employed. MAHOFIN concentrates on South and West India, boasting 65 branches and a robust presence in Tier III & IV towns. Leveraging co-location with its parent branches, the subsidiary’s business model ensures a cost-effective operational approach.

Key developments during the year

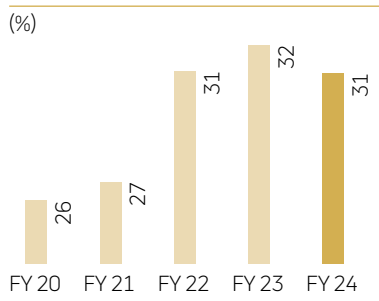
- Our Home Loan subsidiary MAHOFIN has demonstrated impressive performance this financial year, achieving an AUM of ₹ 15,097 million. This marks a significant 38% growth compared to the previous year’s AUM of ₹ 10,958 million.
- We have attained a balanced AUM mix with 69% allocated to Home Loans and 31% to Loan Against Property (LAP)
- GNPA stands at 1.87% in FY 2022-23, and 2.39% in FY 2023-24.
- There was an increased focus on direct sourcing through grassroots marketing efforts.
- 95% of MAHOFIN’s business is self-sourced.

Our performance during the year

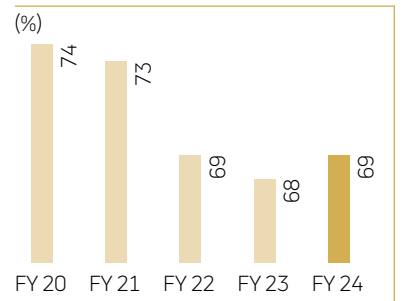
AUM Evolution



LAP

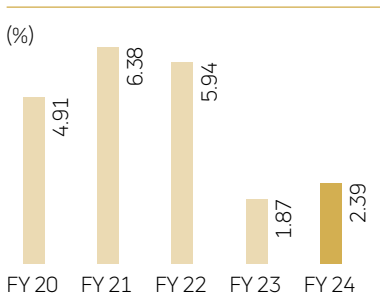


Home Loan



5-year CAGR 19.1%

GNPA



Housing Finance Business Strategy

Growth drivers for future expansion

- Leveraging our parent company's brand equity and nationwide presence to scale up our business.
- Implementing a low-cost operation model by co-locating with parent company branches.
- Investing in human resource training and development through online platforms. Diverse product portfolio – Express loan and Mahilaloan with significant benefits.

Underwriting

- Decentralized underwriting and disbursement for lower ticket size loans.
- Compliance with policy parameters via ground-level Credit Audit and Centralized credit monitoring.
- Focus on lower ticket size loans across all products.

Customer Servicing and Collection management

- Strong customer relationship management team.
- Adopting digital payment platforms for managing EMI collections efficiently.
- A dedicated in-house local collection team.



Vehicle and Equipment Finance Business



Business Overview

Manappuram commenced its Vehicle and Equipment finance services in January 2015 and currently offers a wide array of financial products, including Commercial Vehicles, Auto Loans, Two-Wheeler Finance, Construction Equipment, and Farm Equipment Finance through a network of 443 locations covering 23 states. These loans start from ₹ 60,000, with repayment periods spanning from 12 to 84 months. Our extensive distribution is facilitated through a network of 3,000+ gold loan branches, our digital lending platform, and strategic brand partnerships with manufacturers. A specialized team manages the used business segment, focusing on lower ticket sizes and higher yields. Our primary focus lies in the Used Commercial Vehicles business, specifically targeting semi-urban and rural locations across India.

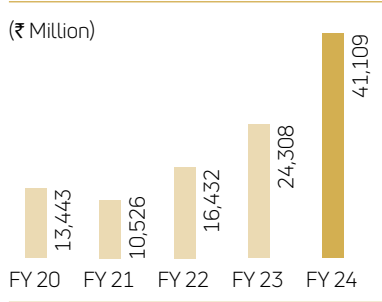
Key developments during the year

- During the year under review, our business demonstrated robust performance, evidenced by a remarkable 70% growth in AUM, reaching ₹ 41,109 million compared to the previous fiscal year.
- Our annual disbursement to the segment increased from ₹ 18,590 million to ₹ 32,350 million, with our customer base expanding to over 0.2 million, reflecting an 75% growth in disbursement and 41% growth in customer base compared to FY 2022-23.
- The segment AUM mix comprises 57% for commercial vehicles, 17% for two-wheelers, and 26% for passenger vehicles.



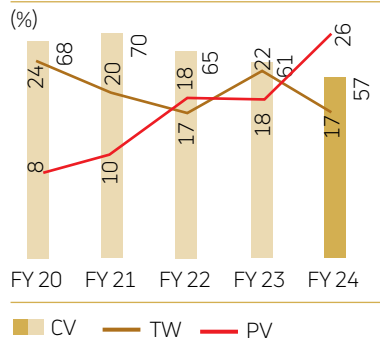
Our performance during the year

AUM Evolution

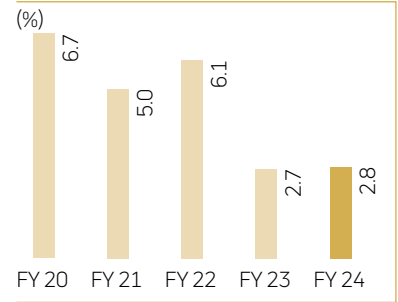


5-year CAGR 25.1%

AUM Mix



GNPA



Vehicle and Equipment Finance Business Strategy

- Increase penetration into Rural and Semi-Urban locations.
- Digital Lending Platform and automated approval process in TW loans.
- Brand Tie-ups with Manufacturer for better reach.
- Covering 3,000+ Gold loan branches for collection and marketing distribution.
- Digital Loan Agreement Signing with E-Stamping to save the cost and make customer easy process.
- CRM tool integrated with loan management system to build relationship with customer from beginning.

Driving Profits through Strategic Synergy

1

Analytics

Leveraging analytics accelerates decision-making processes, resulting in reduced sourcing costs.

2

Mobility Solution

On-the-go solution with m CAS/ m Collect to reduce collection cost.

3

Deep Penetration

Deeper penetration in existing location and Use of MAFIL (GL) branches as sourcing / collection point helping in cost optimization.

From Stability to Soaring Heights

1

Balance Takeover

Dedicated Team managing External Balance Takeover cases.

2

Top Up Loan

As a part of customer retention policy, focus on internal customers where MOB is higher than 18 months without overdue.

3

Used Business

Dedicated Team for Used Business with lower ticket size and higher yield.





MSME and Personal Loan Business

60 (MSME)

42 (Personal Loan)

56 (Micro Home Finance)



Business Overview

Our MSME and Personal Loan business is an amalgamation of multiple products commenced in 2019-20. This segment comprises various products which includes — MSME, Micro-home Finance, Secured Personal Loan, and Unsecured Personal Loan.

Branch Network

MSME

Manappuram's MSME stands out as a reliable source of financial support for businesses. Offering loans ranging from ₹ 1 lakh to 50 lakh, these loans are secured by property. We grant loans to finance working capital, business improvements, and other business needs. The flexible tenures span from 12 to 180 months, accommodating the unique needs and repayment capacities of various businesses.

Our business model is meticulously designed to ensure a quick average turnaround time (TAT) of 3 to 6 days, allowing businesses to access funds promptly and efficiently. This rapid processing time underscores our commitment to facilitating smooth and seamless financial transactions for our clients.

We have a range of products, as follows:

- Loans to Businesses/Service Providers
- Loan against Property

Micro-Home Finance

Manappuram micro-home finance solutions has emerged as the preferred option for families seeking financial support for home constructions, home improvement and renovation projects. Projects may include tiling, flooring, internal and external plastering, installing a modular kitchen, extending your home and even securing a housing loan.

Our Offerings:

- **Housing Loan: Affordable and flexible housing loans to help families purchase their dream home.**
- **Home Improvement Loan: Financing options to rejuvenate and enhance living space, covering everything from minor repairs to major renovations.**
- **Loan Against Property (LAP): Allowing homeowners to leverage the value of their existing property to meet financial needs with attractive interest rates.**



Secured Personal Loan

Manappuram's Secured Personal Loan is a financial solution that grants individuals access to funds ranging from ₹ 1 lakh to 50 lakhs, providing the lender with the assurance of collateral. These loans come with flexible tenures spanning from 24 to 240 months. The business model ensures a quick average turnaround time (TAT) of 3 to 7 days. Secured Personal Loans offer an appealing choice for individuals in search of substantial funds, coupled with the advantage of lower interest rates.

Our secured personal loan business includes the following offerings:

- Personal loan (Secured) – Property Loan
- Instant property loan
- Sthree Shakthi property loan
- Balance Transfer with top up loan
- Spot Property Loan

Unsecured Personal Loan

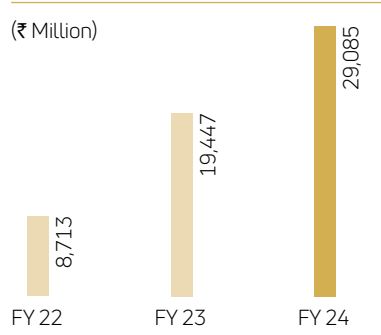
The Manappuram Digital Personal Loan (Pre approved) is entirely paperless, offering a hassle-free application process to our existing customers. MAFIL does not require any physical documents or paper-based application forms. The eligible Customers upon the intimation received from the company can conveniently apply for the loan by downloading the Digital Personal Loan app from the app store, entering their personal details, and completing the KYC process. There's no necessity to visit a MAFIL branch.

Key developments during the year

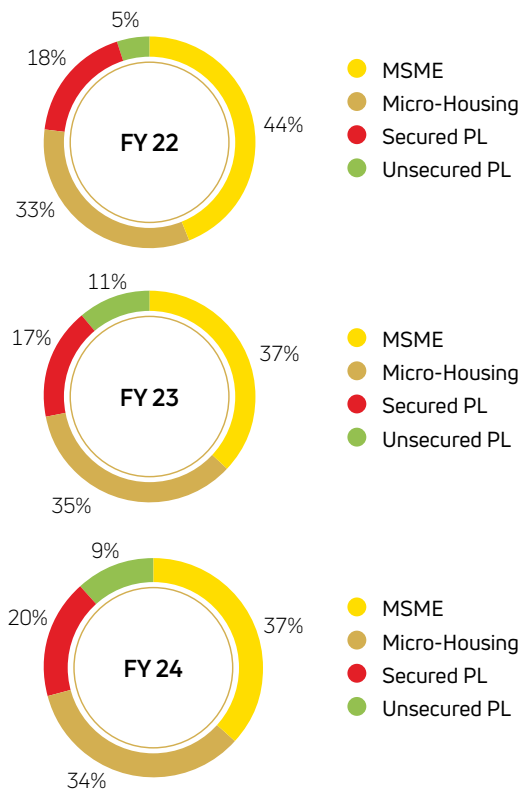
- During FY 2023-24, our Assets under Management (AUM) surged from ₹ 19,447 million to ₹ 29,085 million, reflecting a significant 50% growth. This highlights our intensified focus on the unsecured business segment.
- Despite the expansion in our unsecured business, our Gross Non-Performing Assets (GNPA) remained under 3%, standing at 2.8% as of March 31, 2024. This demonstrates our commitment to maintaining healthy asset quality.
- We attribute our robust credit risk management to rigorous audits and proactive measures, ensuring we stay ahead of potential credit risks.
- Continuous portfolio analysis is conducted to maintain a derisked and resilient portfolio.
- We successfully onboarded more than 8,000 new customers in MSME lending and over 22,665 customers in Secured personal loan lending.

Our Performance during the year

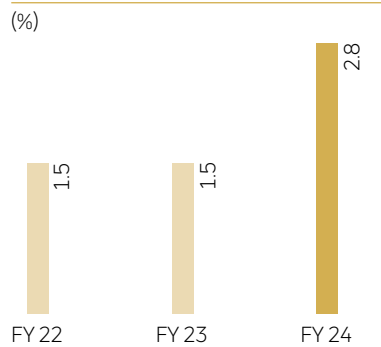
AUM Evolution



AUM Mix (%)



GNPA



MSME and Personal Loans Business Strategy

- Stronger in Rural and Semi-Urban locations (tier - 2/3); scope to increase penetration across additional branches.
- Different products are disbursed through more than 60 branches across states at present; ramp-up across branches underway.
- Predominantly digital collections (86% overall) with 86% and 87% for secured and unsecured PL.
- Diverse product portfolio covering secured & unsecured loans for both salaried and self-employed customers.
- Huge cross-sell potential with existing gold loan customers; proprietary gold loan data used as input for underwriting.
- CRM tool integrated with loan management system to build relationship with customer from beginning.

Propelling Growth with Effective Financial Strategies

Origination and Sourcing

Our strategic approach has significantly improved our market reach and efficiency. We have achieved enhanced penetration in Tier 3 and Tier 4 towns, tapping into previously underserved markets. This expansion is bolstered by our direct sourcing strategies, which include field-level marketing, digital marketing, and effective cross-selling to our gold loan customers. These efforts have allowed us to grow our customer base and strengthen our presence across diverse regions.

Underwriting

Our underwriting process is designed to be both efficient and compliant with policy standards. For lower ticket-size loans, we employ a decentralized underwriting and disbursement approach at the branch level, ensuring quick and localized decision-making. This is complemented by stringent compliance measures, including ground-level credit audits and centralized credit monitoring, to maintain adherence to policy parameters and ensure robust risk management.

Customer Servicing and Collections

We prioritize exceptional customer service and efficient collections through a multifaceted approach. Our strong Customer Relationship Management (CRM) team is dedicated to nurturing client relationships and addressing their needs promptly. To streamline EMI collections, we leverage advanced digital payment platforms, ensuring ease and efficiency for our customers. Additionally, our dedicated in-house local collection team works tirelessly to manage and optimize the collections process, providing personalized support and maintaining high standards of customer satisfaction.

Growth Drivers for Future Expansion

Our future expansion is driven by key strategic initiatives aimed at enhancing our reach and efficiency. We plan to geographically expand our services to existing gold loan branches across India while introducing innovative new schemes to attract and retain customers. Our low-cost operation model, which leverages co-location with parent company branches, will continue to optimize resource utilization and operational efficiency. Additionally, we are committed to investing in the training and development of our human resources through online platforms, ensuring our team is well-equipped to meet evolving market demands and deliver exceptional service. These strategic initiatives are poised to drive sustainable growth and strengthen our market presence.



Insurance Broking



Business Overview

Manappuram Insurance Brokers Limited (MAIBRO) was established in 2006 as a licensed Insurance Broker under the regulatory authority of the Insurance Regulatory and Development Authority of India (IRDAI). In January 2016, it became a subsidiary of Manappuram Finance Limited. Presently, we hold a direct insurance broker license from IRDAI, enabling us to offer a comprehensive range of life and general insurance products in the retail segment. Our offerings encompass two-wheeler, automobile, health, term, and investment plans, as well as shopkeeper policies, homeowners policies, personal accident insurance, critical sickness policies, trip insurance, and hospital cash policies.

Our subsidiary MAIBRO was recognized among the top 10 insurance broking startups of 2023, thanks to its innovative, technologically-driven digital insurance platform called "MaSuraksha". MaSuraksha is an innovative e-commerce portal operated by Manappuram Insurance Brokers.

Key developments during the year

- In the FY 2023-24, our claim settlement ratio was 93%, compared to 95% in FY 2022-23, demonstrating our ongoing commitment to efficient and timely settlements.
- Total revenue from the segment reached ₹ 1,041.21 million, representing an expansion of 766.73% over the previous financial year, highlighting our strong growth momentum.
- Our EBITDA for the segment stood at ₹ 982.37 million in FY 2023-24, reflecting an increase of 1,956.76%, underscoring our operational efficiency.
- Profit after tax rose from ₹ 31.51 million in FY 2022-23 to ₹ 732.33 million in FY 2023-24, marking a growth of 2,223.98%, indicating our enhanced profitability.





Manappuram Comptech and Consultants



Business Overview

With over two decades of experience, we have consistently delivered cost-effective and high-quality IT solutions supported by proven technology, serving thousands of branches across India. The success of MACOM can be attributed to various factors, notably our unwavering commitment to promptly providing top-notch products and services to our customers.

Guided by esteemed leaders and visionaries and boasting a pool of talented professionals, our goal is to emerge as the premier technology services provider. This journey involves a relentless commitment to innovation and the delivery of superior products and services.

1. Revenue Growth:

In FY 2023-24, MACOM achieved a total revenue of ₹ 531.59 million, showcasing substantial growth.

2. Profitability:

MACOM's net profit for FY 2023-24 stood at ₹ 113.80 million, a significant increase from the previous fiscal year's profit of ₹ 34.27 million (FY 2022-23).

3. ISO Certification:

- MACOM's attainment of ISO 27001:2013 Information Security Management Systems Certification underscores its commitment to excellence and security.
- This certification enhances trust and reliability for clients and stakeholders.

Key developments during the year

- Successfully migrated the Homefinance application to the ADANI Cloud platform, ensuring scalability, reliability, and improved performance.
- Successfully completed Vehicle finance finnOne migration.
- Implemented a robust data access layer using Entity Framework, allowing seamless integration with various database vendors.
- Developed a middle-tier service layer using .NET Core, making it platform-agnostic and facilitating cross-platform deployment.
- Consolidated frontend development by adopting Flutter, enabling consistent user interfaces across web and mobile platforms.
- Integrated the CAST analysis tool to assess code quality, identify vulnerabilities, and enhance code maintainability.
- Leveraged Flutterflow, a low-code development platform, to accelerate UI development and reduce manual coding efforts.
- Deployed Newrelic's Site Reliability Engineering tool to monitor application performance, detect anomalies, and ensure optimal uptime.
- Introduced an AI-driven file compression tool, optimizing storage utilization and improving data transfer efficiency.





Forex and Money Transfer



Business Overview

The company's fee-based offerings encompass services such as money transfer, foreign exchange, and depository services, facilitating permissible currency exchange under the Foreign Exchange Management Act (FEMA). Currently, we are the leading NBFC from Kerala with AD II (Authorized Dealer Category II) Licensed by the RBI, we offer the best rates and world-class customer service for your foreign exchange. Our unique business proposition includes sending money to abroad within 24 hours with limited documentation, prompt service and Remittance Confirmation on the same day.

Key developments during the year

- Tie-up with Five money transfer agencies for inward Remittance.
- About 60% of the inward remittance is contributed by Western Union. As an Indian agent of Western Union, we can appoint sub agents to work on our behalf all over India.
- Turnover of MTSS business is around ₹ 60 million per month. We have four active sub-agents for Western Union business who contributes about ₹ 9.5 million of business per month.



Payments Business



Business Overview

Manappuram achieved authorization from the Reserve Bank of India (RBI) to issue prepaid payment instruments, leading to the launch of the MA Kash wallet in March 2017. This mobile wallet serves as a digital means to carry cash, aligning with India's cashless payments initiative. Through our payment solution, customer can add money into their wallet through a Credit Card, Debit Card and NetBanking. Alternatively, they can visit any MAFIL branch across India to load cash into the wallet without incurring any additional costs. With a customer base exceeding one lakh, MA Kash has consistently demonstrated growth. The wallet recorded around 53,000 transactions

during the FY 2023-24, amounting to approximately ₹ 36 crore. Customers can seek the support of MAFIL branches for wallet creation and transaction facilitation.

Key developments during the year

- UPI Integration: MA Kash has moved closer to obtaining interoperability with other payment systems. The application we have made with NPCI is expected to obtain Interoperability by the end of the year.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

Manappuram's Way to Sustainability

The guiding principle behind Manappuram's ESG philosophy is rooted in the belief that, as a conscientious NBFC, we must take on the mantle to drive a sharper, focused, and impactful ESG program. This program aims to maximize value for all stakeholders and the community at large.

Our ESG strategy adheres to globally-recognized standards within the industry, addressing our key material concerns. Additionally, we integrate ESG considerations into both our organizational strategy and operational framework.



Environmental: Upholding Commitment, Embracing Sustainability

We aim to be an environmentally responsible organization, prioritizing sustainability, fostering a culture of accountability, and minimizing our carbon footprint to create a positive environmental impact.

At Manappuram, we acknowledge the significance of environmental sustainability and adherence to regulations. Our initiatives include the adoption of energy-efficient lighting and air-conditioning systems, and promoting energy conservation awareness among employees. Embracing technology has enabled us to minimize paper usage and travel emissions, enhancing operational efficiency. We prioritize the efficient use of materials and water resources, coupled with effective waste management practices. Furthermore, our shift from diesel vehicles to electric vehicles underscores our dedication to lowering carbon emissions. Implementation of wastewater treatment and rainwater harvesting systems further reflects our commitment to conserving water resources.

Minimizing Energy Footprint

Our company has enhanced energy efficiency by integrating energy-saving lighting and air-conditioning systems, simultaneously fostering employee awareness regarding energy-conservation practices. We underscore our dedication



to sustainability by harnessing solar energy to power branch locations, yielding an output of more than 63,421 kilowatt-hours of clean energy. Additionally, Manappuram Finance Limited is actively shifting its vehicle fleet from diesel to electric, contributing to the reduction of air pollution and carbon emissions linked to transportation.

Efficient waste management

As ardent champions of responsible waste management, we actively promote recycling practices. Through partnerships with authorized vendors, we ensure the proper disposal and recycling of e-waste and paper waste produced within our organization. Furthermore, our all-encompassing waste management initiative precisely assesses waste generation, guiding us in the adoption of suitable disposal methods. Our steadfast commitment to waste reduction highlights our dedication to minimizing environmental impact and cultivating a cleaner, greener future.

Minimizing the use of paper and printing

Demonstrating our dedication to sustainable practices, we made substantial strides in digitizing and automating loan application processes. This initiative resulted in a significant reduction of paper consumption, in line with our commitment to resource conservation and the promotion of a paperless future.

11.51%

Reduction in Energy intensity per rupee of turnover

11.33%

Reduction in Scope 1 and Scope 2 emissions per rupee of turnover



Social (Customers): Dedicated to Your Needs

We strive to deliver exceptional experiences by implementing strong customer relationship management practices and leveraging digital technologies. Our diverse range of borrowing options is designed to meet the varied needs of our customers.

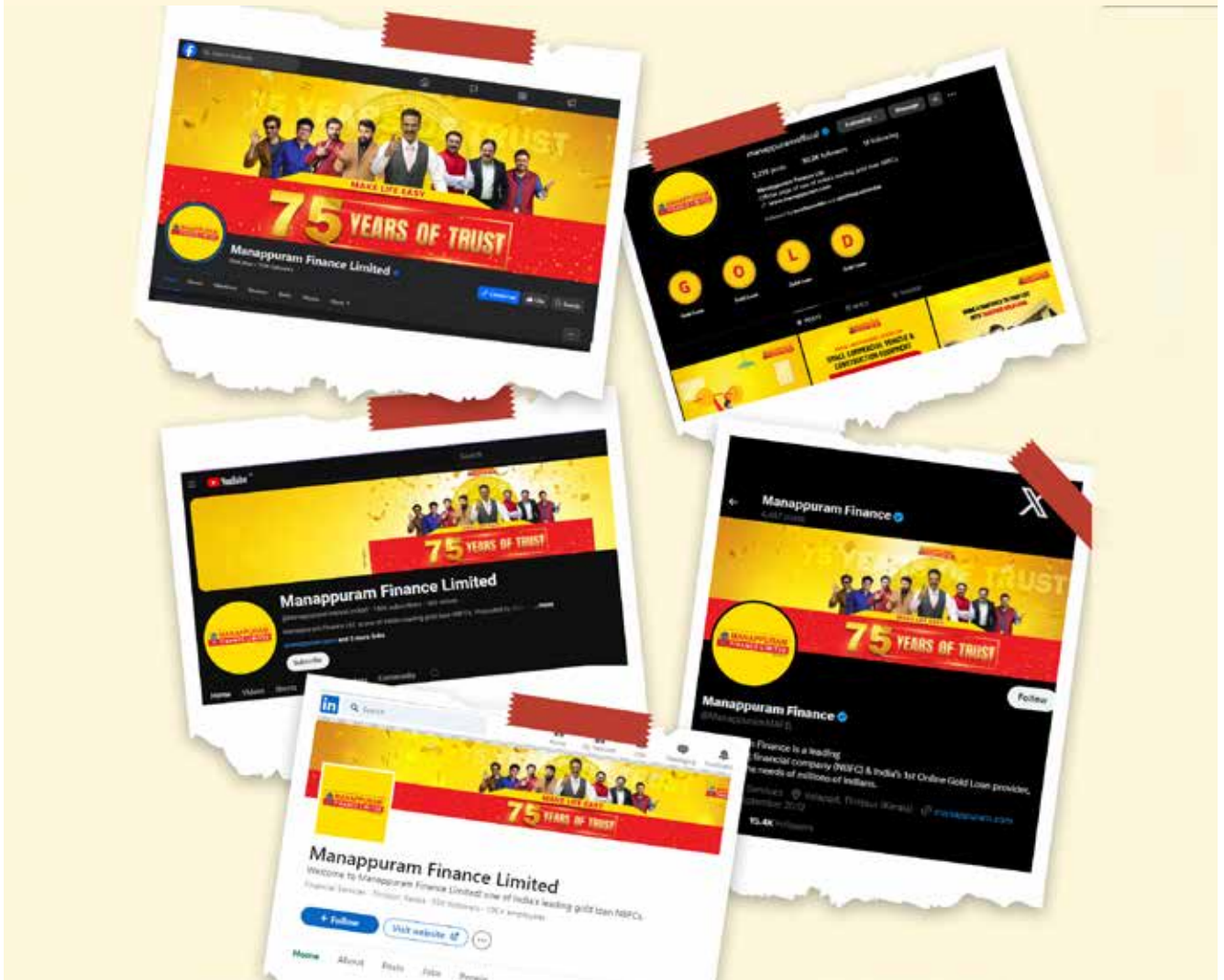
Streamlining Customer Connections with CRM Excellence

At Manappuram Finance, we prioritize personalized service through dedicated customer relationship managers (CRMs) who speak local languages. Our CRMs

assist customers with inquiries, payment issues, and transactions, ensuring a smooth and hassle-free experience. Beyond business support, our CRMs build personal connections, making customers feel valued members of the Manappuram family. They extend warm wishes during festivals, birthdays, and anniversaries, fostering a sense of belonging and appreciation. This approach not only addresses our customers' financial needs but also strengthens our bond with them, emphasizing our commitment to their well-being and satisfaction.

Simplifying Solutions Through Social Media Presence

Our company is active on various social media platforms, making it easy for customers to stay updated on our products and services. Customers can follow us for the latest updates and reach out with any queries, ensuring convenient and efficient communication.





Social (Community): Towards Making a Better World

As a conscientious financial services institution, we prioritize gaining the trust and respect of the wider community. Our continuous effort is to strengthen and empower society. To achieve this goal, we have formulated a robust Corporate Social Responsibility (CSR) strategy that tackles some of the most urgent societal challenges.

Our company is dedicated to making meaningful contributions to society. Through our CSR initiatives in education, healthcare, and community development activities, we aim to uplift economically weaker sections of society. Giving back to the community and contributing to the country's development are among the company's key responsibilities. Our social activities primarily focus on education, healthcare, and community services, as outlined below:

Promotion of Education

At Manappuram, we hold the belief that quality education is crucial for the development of individuals and the nation. We operate several schools and institutions dedicated to offering the finest education and nurturing environments, paving the way for their success. These encompass:

Financial support for Residential Tribal Schools

We have provided monthly support to APJ Abdul Kalam Residential School which aims to provide tribal children with a comprehensive education that combines academic excellence with essential values. The school focuses on imparting knowledge and fostering self-sufficiency, humanity, social responsibility, and sustainability. By integrating traditional subjects with practical life skills and ethical teachings, the school nurtures responsible, compassionate, and resourceful individuals, preparing them to be conscientious members of society.



Financial Assistance to SN Trust, Mumbai

SNMS primarily engages in various initiatives, including education, vocational training, skill development, entrepreneurship, healthcare, and cultural and sports activities. Additionally, it provides humanitarian assistance aimed at benefiting the general public, with a particular emphasis on supporting the marginalized sections of society.

Inauguration of Wonder World for Differently Abled Children

The Manappuram Foundation generously contributed to the Wonder World Project by Santhome Special School, Kodungallur. Established in 2014 and managed by the Social Action Forum Irinjalakuda, Santhome Special School is dedicated to serving differently-abled individuals. Currently, the school provides education and support to 63 students, fostering an inclusive environment where they can thrive and reach their full potential. The Wonder World Project aims to further enhance the learning experiences and opportunities for these students.





Organized Mega Quiz Event

Manappuram Foundation organized a mega-quiz event in memory of the late Mrs. Sarojini Padmanabhan at St Thomas Autonomous College, attended by over 500 students from various schools and colleges in Kerala. The event, held in collaboration with leading quizzing company Q Factory, featured Mr. Snehaj Srinivas, Managing Partner of Q Factory, as the Quiz Master. Sreenand Sudheesh and P Navaneeth Krishnan from GMHSS, Calicut won the Sarojini Padmanabhan Memorial All Kerala Level Quiz, while Aditya K B triumphed in the district-level quiz competition.



Community Development Activities

Through multifaceted community development activities, Manappuram Finance Limited continues to make a positive impact, fostering holistic growth and development in the regions it operates. The company’s unwavering commitment to social responsibility reflects its core values and dedication to building a better, more inclusive society. The following are the activities persuaded to uplift the community:

Donation of Food Kits to Elderly People

Manappuram Foundation recently donated 120 food kits to elderly residents of Valapad, Nattika, and Thalikulam Panchayaths. The program was inaugurated by Ahammed Devarkovil, the Minister of Ports, Museums, Archaeology, and Archive. This initiative reflects the Manappuram Foundation’s commitment to supporting vulnerable community members and addressing food insecurity among the elderly.



Together For Thrissur

The ‘Together For Thrissur’ program, initiated by Thrissur District Collector Krishna Teja IAS, aims to provide financial assistance to children who lost one or both parents to Covid-19. Manappuram Foundation contributed towards this cause, benefiting 100 children in Thrissur District. This support is intended to encourage the children in their academics and other co-curricular activities, helping them pursue their interests despite the challenges they have faced.



1,15,903
Total CSR Beneficiaries

₹ 387.59 million
Total Amount spend on CSR activities during the year of turnover



Social (Employees): Prioritizing Employee Development and Well-being



We acknowledge our people as our most valuable asset. Committed to robust human resource management, we give paramount importance to empowering, developing, and ensuring the well-being of our employees. Through the cultivation of a culture centered on continuous learning, inclusivity, and engagement, we unlock the complete potential of our workforce, propelling growth and excellence throughout the organization.

At Manappuram Finance Limited, we understand that our employees are our most valuable asset. That's why we're committed to creating a work environment that fosters a sense of belonging, offers opportunities for growth, and rewards our team's hard work. Here are some of the key initiatives we've taken to retain top talent and attract new team members, including bright and ambitious graduates.

Healthy Work Environment

We take pride in our collaborative and supportive work environment. We believe in open communication, teamwork, and celebrating each other's successes. We offer a variety of employee engagement initiatives to create a strong sense of community, especially for our new recruits.

Hiring and Retaining Best of Talent

We actively recruit exceptional graduates from top colleges across India. Our HR team visits campuses and fosters relationships with esteemed institutions like the IIMs to identify and attract the brightest talent. We offer comprehensive training and development programs tailored

for fresh graduates to ensure a smooth transition and set the foundation for a successful career. With us, you'll have ample opportunities for career advancement and skill development, paving the way for a fulfilling and rewarding professional journey.

Building a Diversified Workforce

We are committed to creating a workplace that is welcoming and respectful of people from all backgrounds and experiences. We believe that diversity of thought and experience leads to a stronger and more successful organization, and we actively recruit graduates from various colleges, including prestigious institutions, to foster this inclusive environment.

Compensation and Rewards

At Manappuram Finance, we offer competitive compensation and benefits packages, including health insurance, paid time off, and performance-based incentives. We believe in recognizing and rewarding our high performers for their contributions to our success, and that includes fresh talent who brings new ideas and perspectives to our team.

Healthy Work-life Balance

We understand the importance of maintaining a healthy work-life balance, especially for young professionals starting their careers. We offer flexible work arrangements and remote work options whenever possible to support our employees' well-being.



Training and Development

A Learning Revolution Powered by MADU



Manappuram Finance places great importance on having a highly skilled and flexible workforce. While traditional classroom training was once the norm, a significant change occurred with the introduction of MADU, their innovative in-house Learning Management System.

MADU Transforms Learning

MADU provides an extensive range of functionalities aimed at enhancing learning outcomes. It includes a Digital Library for easy access to resources, interactive eLearning modules, and a calendar for self-enrollment in training programs. Additionally, the platform conducts needs assessments to pinpoint skill deficiencies and offers specialized induction modules for new employees. MADU also monitors employee skill enhancement, reducing training expenses and providing targeted eLearning content where it is most needed.

Regional Trainers to eLearning Specialists

Prior to the advent of MADU, Manappuram depended heavily on a substantial team of regional trainers for conducting in-person sessions and creating traditional training materials. The introduction of MADU brought a strategic reallocation of resources within the organization. With the platform's self-paced learning modules, automated assessments, and virtual instructor-led training (VILT), the need for face-to-face sessions diminished.

Consequently, Manappuram redirected its efforts towards hiring eLearning developers and instructional designers to support MADU's implementation and maintenance. This transition signifies a shift towards a more efficient, technology-driven training approach, supported by a smaller, specialized team aligned with the platform's capabilities.

Accessibility, Continuity, and Inclusivity

MADU facilitates VILT and eLearning modules accessible to a large portion of the workforce. This shift towards digital and centralized training has not only improved accessibility but has also fostered a culture of continuous learning within the organization. Diversity, Equity, and Inclusion (DEI) are core principles within Manappuram's L&D strategy. MADU's course library offers a comprehensive range of content, ensuring all employees, regardless of background or experience, have access to the resources they need to develop their skills. Content areas include technical/functional areas like gold appraisal and loan products, as well as soft skills development in communication, teamwork, and interpersonal skills. Additionally, managerial training modules delve into operation management, financial management, and regulatory compliance.

5,034
E-Learning
(Self-Paced)

1,300 hours
Training duration

Currently, the platform boasts an impressive 5,034 eLearning courses having a duration of over 1,300 hours and serves over 49,890 active users across 11 Manappuram Finance entities.

Manappuram Finance's commitment to a robust L&D strategy, spearheaded by its innovative Learning Management System, MADU, is a prime example of how innovation can transform learning experiences, cultivate a skilled workforce, and foster a culture of continuous growth within an organization.

Employee Engagement Programs

At Manappuram Finance Limited, we cultivate a culture of employee engagement through a range of initiatives that enhance teamwork, creativity, and community spirit.

Building Teamwork Through Sports

We organize exciting and competitive sports meets where employees from various teams or departments are grouped into houses to compete against one another. This fosters collaboration, friendly competition, and opportunities to connect with colleagues outside of the work setting.

Showcasing Creativity in "Voice" & "Insight"

We value the artistic talents of our employees and provide a platform for them to share their creative work in our company magazines, "Voice" and "Insight."

"Voice" addresses our external audience, where they can contribute written pieces such as articles, poems, or stories, as well as visual arts like drawings, paintings, and photography. This platform allows them to gain recognition and share their passions with a wider audience.

"Insight" serves as an outlet to display the creative talents of Manappuram employees internally. It offers a space for staff to showcase their artistic expressions, fostering a sense of community and appreciation within the organization. Through "Insight", employees can celebrate their creativity and inspire their peers.

Celebrating Milestones

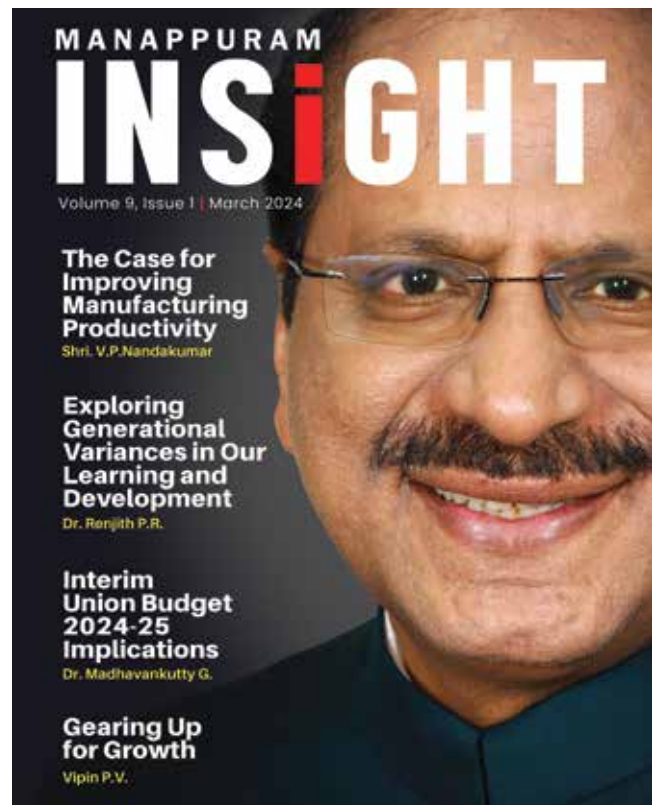
We take pride in honoring our long-serving employees through a special recognition program that celebrates service milestones of 10, 15, 20, and 25 years. These dedicated team members receive a certificate, a memento, and a cash award as a token of appreciation for their loyalty and contributions to our success.

Employee Speak

We value the voices and experiences of our employees. Through the "Employee Speak" initiative, team members can share their stories and perspectives with the entire company. These stories are circulated via email and our magazines, fostering a deeper sense of connection and community within our organization.

Open Communication and Feedback

We encourage open communication between employees and management through regular town hall meetings, employee surveys, and anonymous feedback channels. By actively listening to employee concerns and ideas, we strive to create a more positive and productive work environment.



MAFIL:29720

(Permanent:22470,
 Probation:7153 & Contract:97)
 (22879 male and 6841 female).
 Total Number of Employees

₹ 32.40 million

Spent on Training and
 Development
 Total Number of
 Employees

MAFIL:23%

(Permanent:6321,
 Probation:518 & Contract:2)
 Female Employees

₹ 1.96 million

Average revenue
 generated through
 each employee

₹ 10,221.73 million

Total Employee Cost

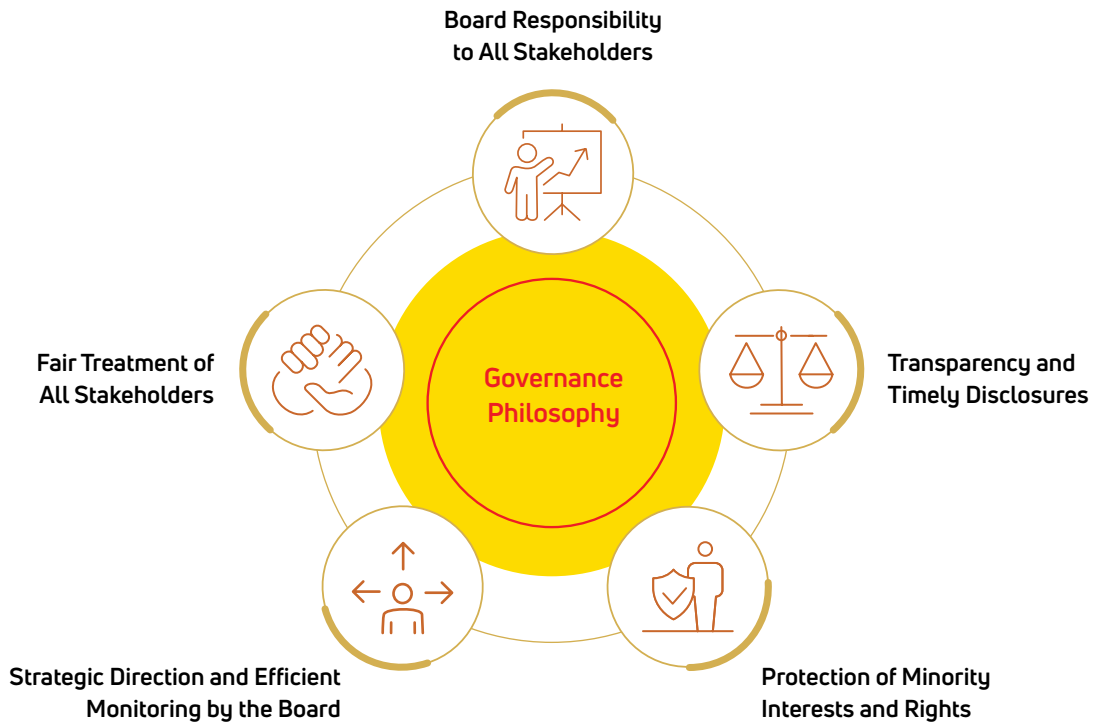


Governance: Building Bridges of Trust

At Manappuram Finance, our commitment lies in enhancing long-term value for all stakeholders by actively embracing the highest ethical and governance standards. Our values guide our interactions with all stakeholders, and acting responsibly is a fundamental aspect of our culture. We are devoted to upholding the highest standards of business ethics and integrity, exemplified by our corporate governance practices that align the interests of all stakeholders.

Governance Philosophy

We are steadfast in our commitment to maintaining robust and effective corporate governance practices, characterized by comprehensive and transparent disclosure. Both our Board of Directors and Senior Management adhere to the utmost levels of transparency, fostering a culture of responsible decision-making and ensuring compliance with relevant laws.



Business Ethics and Compliance

A business needs to establish corporate policies to regulate its activities. Our policies and guidelines function as a guide for daily operations, providing direction to our staff members and stakeholders in upholding our principles of ethics, transparency, and sustainability. We are aware of the risks associated with fraud, bribery, and money laundering in the financial services industry, and we maintain a zero-tolerance approach towards such financial crimes. Our commitment to ethical conduct and compliance with laws and regulations is evident in our Anti-Corruption Policy, Whistleblower Policy, Vigilance Policy, and other relevant policies. Additionally, as part of our dedication to sustainable corporate growth and minimizing environmental impact, we have implemented an ESG policy.

Board Diversity

Our Board is a healthy mix of personalities with diverse expertise, education, qualifications, backgrounds, gender and age. Collectively, they foster excellence in decision-making and drive sustainable, long-term growth for the Company.

25%

of our Board consists of female members

83.33%

of the Board members are independent directors

Our Board of Directors

● Audit Committee | ● Nomination Compensation and Corporate Governance Committee | ● Risk Management Committee
● Financial Resource and Management Committee | ● Corporate Social Responsibility Committee | ● Stakeholders Relationship and Securities Transfer Committee | ● IT-Strategy Committee | **M = MEMBER | C = CHAIRMAN**



Dr. Shailesh J Mehta

Chairman, Independent and Non-Executive Director

He has completed his Bachelor of Technology in Mechanical Engineering from IIT, Mumbai and holds a master's degree and a Doctor of Philosophy degree in Operations Research & Computer Science from Case Western Reserve University. He also holds Hon. Doctorate in Human Letters from the California State University. He has over 46 years of work experience and has held the positions of President, Granite Hill Capital Ventures; Chairman and Chief Executive Officer, Providian Financial Corporation; Operating General Partner, West Bridge Capital; President and Chief Operating Officer, Capital Holding Insurance group; and Executive Vice President, Key Corp. He has also served on the U.S. Board of Master Card International, Board of PayPal Inc, Chairman of First Source Solutions and Trustee of California State University System. He is founder of the Shailesh J. Mehta School of Management at IIT Bombay.

Mr. V. P. Nandakumar

Managing Director and Chief Executive Officer



He is a post-graduate in Science with additional qualifications in Banking and Foreign Trade.

He started his career with the erstwhile Nedungadi Bank. In 1986, he resigned to take over the family business, following the demise of his father, V.C. Padmanabhan. In 1992, he promoted Manappuram Finance Limited and has been a Director of the Company since then. He is a managing committee member of Federation of Indian Chambers of Commerce (FICCI). He is also a former Chairman of the Kerala State Council of the CII and a finalist at the EY Entrepreneur of the Year Awards 2017.



Mr. P. Manomohan

Independent and Non-executive Director

He holds a bachelor's degree in Commerce from the Kerala University and a Diploma in Industrial Finance from the Indian Institute of Bankers (IIB). He is also a Certified Associate of the IIB. He has over 39 years of experience in the RBI and in regulatory aspects of NBFCs. He retired as General Manager of the RBI, Department of Banking Supervision, Trivandrum, and served on the Boards of South Indian Bank and Federal Bank.

**Adv. V. R. Ramachandran**

Independent and Non-executive Director

He holds a bachelor's degree in Science from the Calicut University and a bachelor's degree in Law from the Kerala University. He has over 33 years of experience and is a civil lawyer enrolled with the Thrissur Bar Association.

**Mr. Abhijit Sen**

Independent and Non-executive Director

He has a B. Tech (Hons) degree from the Indian Institute of Technology (IIT), Kharagpur and a Postgraduate Diploma in Management from IIM, Kolkata with majors in Finance and Information Systems. He retired as Chief Financial Officer of Citibank, India Subcontinent in 2015 post 20 years of service. Post retirement, he is associated with a large Big 4 firm as an External Advisor, for their activities in the banking and financial services sector. He serves on several Boards including Kalyani Forge, Cashpor Microcredit etc. He also chairs the Audit Committees of Kalyani Forge, Tata Investment Corporation in addition to participating on several other Board Committees. In the past, he was on the Boards of National Securities Depository Ltd and various Citi entities and has been an external advisor to General Atlantic.

**Mr. Harshan Kollara**

Independent and Non-executive Director

He is an alumnus of Mumbai University. He has over 41 years of experience in banking and financial services in India and abroad. He has been with diverse institutions like Union Bank of India and ICICI Bank (as EVP and Head of International banking), Union Bank of California (as Vice President and Regional Head of South Asia Region) and Federal Bank (as its Executive Director). He has been the Non-executive Director of Experian Credit Information Company of India Private Limited and is a person regulated by the Financial Conduct Authority (FCA). He has extensive experience in foreign exchange, cross-border trade finance, payment business, consumer credit, core banking application system implementation, and compliance including anti-money laundering, counter-terrorism financing and financial crime prevention practices. He is experienced in global standards and best practices in governance.





Ms. Pratima Ram

Independent and Non-Executive Director

Ms. Pratima Ram is an experienced banker with three decades in Corporate, International, Investment & Retail Banking. She has worked in India, USA and South Africa. Pratima held the position of Country Head & Chief General Manager of the United States Operations of State Bank of India, in New York, and prior to this she was the CEO of the South African operations of the Bank based at Johannesburg. At SBI Capital Markets, she assisted companies in raising funds through capital market instruments and led the Corporate Advisory, M&A, & Project Appraisal business. She also led the training initiatives of SBI as head of the SBI Academy. On leaving the public sector, she joined private sector in the infrastructure and Oil & Gas space as Group President Finance at Punj Lloyd Group having diversified operations then in more than 15 countries.

She takes keen interest in mentoring and advising medium size corporate, using her expertise gained in Corporate Banking & Advisory, Forex Management and Risk Management as well as experience gained in public & private sector industry. She is also deeply involved in improvement of rural school education in North Karnataka.

Pratima graduated from University of Virginia, USA and Bangalore University.

Dr. Sumitha Nandan

Executive Director



In the past, Dr. Sumitha Nandan had acted in various executive capacities at Manappuram Finance Limited including as Chief Executive Officer of Online Gold Loan (OGL). She had held the whole time Director position in Manappuram Health Care Limited. She had also held Directorships in Manappuram Home Finance Limited, Manappuram Agro Farms Limited, Systemic Ayurvedic Research Private Limited and Macare Dental Care Private Limited.

Dr. Sumitha Nandan has completed her MBBS from Rajiv Gandhi University of Science & Research Institute, Karnataka. She holds MS from Sri Ramachandra University Chennai and a fellowship in Cosmetic Gynecology. She has worked in multiple Hospitals as consultant Gynecologist at Triakkara Co-operative Hospital Cochin and KIMS Hospital Cochin. She worked as an Assistant Professor in Amritha Institute of Medical Science and also consultant Gynecologist and Cosmetologist in Cimar Hospital, Kochi.



Adv. V P Seemandini

Independent and Non-Executive Director

Adv. Veliath Pappu Seemandini is a law graduate and a Senior Advocate designated by High Court of Kerala. She is also a Standing Counsel for various Central Government and State Government Institutions like High Court of Kerala, Food Corporation of India, National Insurance Company, Coir Board, Steel Authority of India (SAIL), Bokaro Steel Plant, Vishakhapatnam Steel Plant, Steel Industries Kerala Ltd, Kerala Feeds Limited, Kerala State Women's Commission, Institute of Management Studies, Trivandrum, South Malabar Gramin Bank. She is Practicing in the Supreme Court of India, High Court of Kerala and various other Courts and Tribunals. Mainly handling cases in Constitution.



Mr. T.C. Suseel Kumar

Independent and Non-Executive Director

T.C. Suseel Kumar retired as the Managing Director of Life Insurance Corporation of India (LIC) in January 2021 after a distinguished career spanning nearly four decades. He led key portfolios such as Investments, Finance & Accounts, Audit, Corporate Planning, Marketing, Customer Relationship Management, HR, Risk Management, Corporate Governance, and Bancassurance, and managed LIC's foreign operations in Mauritius for over three years. Renowned for his analytical acumen, Suseel Kumar authored LIC's business strategies, significantly regaining market share. Under his marketing leadership, LIC achieved milestones, including an all-time high in First Year Premium Income, consolidating its market leadership. He also pioneered a market research program targeting millennials for new business and agency recruitment. Suseel Kumar's extensive experience in insurance, finance, and related fields is reflected in his board memberships at LIC, Axis Bank, LIC Lanka Limited, National Mutual Fund Mauritius, National Insurance Academy, LIC Housing Finance Limited, LIC Pension Fund, LIC Mutual Fund, and LIC PF Trust. He also chairs and serves on various committees, including Audit, CSR, Treasury Review, Business Review, Delisting, Stakeholders Relationships, NRC, and Risk Management. With his expertise and strategic vision, T.C. Suseel Kumar significantly contributes to the organizations he serves.

Dr. Sankaran Nair Rajagopal

Independent and Non-Executive Director

Dr. S. Rajagopal is a seasoned banking professional with over three decades of experience at the Reserve Bank of India (RBI) and three years with leading commercial banks. As the Regional Director of RBI, he led operations in Maharashtra and Goa, and chaired the Empowered Committees for MSMEs and Regional Rural Banks. At the Financial Stability Unit, he was part of the Analytical Group on Vulnerabilities of the Financial Stability Board in Basel, Switzerland. Dr. Rajagopal's expertise includes the supervision and regulation of commercial and urban co-operative banks, financial stability analysis, payment system operations, foreign exchange, financial inclusion, currency management, and HR management. He also served on the Boards of Bank of Maharashtra and Global Trust Bank.

Currently, Dr. Rajagopal is a Part-time Consultant to a leading law firm and an Independent Director on the Board of InCred Financial Services Ltd. He holds an MBA in International Management from the University of Dallas, an MBA in Banking and Finance from CUSAT, and a Ph.D. in Management from the University of Pune. He also has a Diploma in Training & Development and is a Certified Associate of the Indian Institute of Bankers (CAIB).

Dr. Rajagopal has taught at the S.P. Jain School of Global Management and has been published in leading financial journals. He enjoys traveling and exploring new cultures, adding a global perspective to his work.



Mr. E.K. Bharat Bhushan

Independent and Non-Executive Director

Mr. E.K. Bharat Bhushan brings thirty-six years of Indian Administrative Service experience, having held key roles in Central and State governments. He has designed and implemented policies across trade, industries, agriculture, and aviation. As CEO of India's largest Rubber Plantation company, he established the first federation of rubber growers to ensure fair prices. He also managed Operation Flood in Kerala to achieve milk production self-sufficiency and coordinated Swiss assistance for the dairy sector. As Chief Secretary of Kerala, Mr. Bhushan managed all government departments and 6,00,000 employees, overseeing statewide program implementation. He revitalized Kerala Minerals and Metals, led the successful "God's Own Country" tourism campaign, and drove record steel production and revenue in SAIL as Special Secretary of the Steel Ministry. He was pivotal in designing India's first Semiconductor Policy and commissioning Technopark, India's first IT Park in Trivandrum. Mr. Bhushan introduced the Price Stabilising Fund for Plantations and developed a domestic aviation safety protocol as Director General of Civil Aviation. His extensive leadership and policy-making skills have significantly impacted various sectors, demonstrating his exceptional ability to drive strategic initiatives and achieve transformative results.

Board of Directors as on May 24, 2024

AWARDS AND ACCOLADES

Validated for efforts

The guiding principle behind Manappuram's ESG philosophy is rooted in the belief that, as a conscientious NBFC, we must take on the mantle to drive a sharper, focused, and impactful ESG program. This program aims to maximize value for all stakeholders and the community at large.



★ **Women Executive Director at the 3rd Women Director's Conclave 2023 at BSE - Jury Special Award for Dr Sumitha Nandan Executive Director of Manappuram Finance. (December 2023)**



★ **Unique Times - Excellence Award for Excellence in Financial Management, for Bindu A L, CFO and President, Manappuram Finance. (April 2023)**



★ **DNA Award -Banking Frontiers DNA Award, for the best CSR activities. (August 2023)**



★ **Mint BFSI Summit and Awards - Best mid-size NBFC Award. (January 2024)**



★ **Elets BFSI CXO Award** - To V.P. Nandakumar who was adjudged 'Financial Success Champion'. (February 2024)



★ **Quantic India's 4th BFSI Excellence Award** - Best Skill Development Initiative of the Year, for Manappuram finance skill development initiatives. (October 2023)



★ **ET Entrepreneur Awards 2024** - Manappuram Foundation bagged the 'Best Social Impact Campaign (CSR)' award. (March 2024)

Management Discussion and Analysis

Manappuram Finance Limited – An Overview

Manappuram Finance Limited (“MAFIL” or “the Company”) is a prominent Non-Banking Financial Company (NBFC) serving the credit requirements of people from lower socio-economic backgrounds, especially in rural and semi-urban regions of India. The Company offers a comprehensive suite of retail credit products and financial services. It has a diversified lending portfolio spanning retail, microfinance, SME and commercial segments. As the second-largest gold finance NBFC in India, it specializes in offering credit against the security of used household gold jewelry, (henceforth referred as gold loan). The Company’s short-term gold loan products serve customers in urgent need of funds and who may not have access to other formal credit avenues. The Company directly competes with informal moneylenders and pawnbrokers as it endeavors to reach marginalized communities, aiming to achieve the broader objective of financial inclusion.

Besides gold loans, MAFIL finances small transport operators, micro businesses through its vehicle finance and MSME verticals, belonging to the marginalized section of society who have limited access to bank finance. The business verticals for housing and home improvement extend affordable loans for housing and home improvements.

The Company’s Microfinance subsidiary, Asirvad Micro Finance Limited, an authorized and regulated NBFC-MFI by the Reserve Bank of India, provides microfinance loans and other financial services to low-income rural and semi-urban communities, especially women, through its widespread Branch network across India. Through another subsidiary, Manappuram Home Finance Limited, the Company facilitates loans to customers in the affordable housing market, catering to various needs such as home building, extension, purchase, and improvement. The third subsidiary, Manappuram Insurance Brokers Limited, collaborates with leading insurance firms to offer a wide range of life and

non-life insurance products. Another subsidiary, Manappuram Comptech and Consultants Limited provides cost-effective and high-quality IT solutions leveraging their extensive two-decade experience.

Economic Review

Global Economic Overview

The global economy demonstrated remarkable resilience in 2023 with a steady but slow recovery despite regional disparities. According to the International Monetary Fund (IMF), the global economy achieved a modest growth rate of 3.2% in 2023. Factors such as escalating geopolitical conflicts, higher inflation, prolonged higher interest rates, a sluggish recovery in China, and volatility in energy prices and food markets, have led to a slowdown in global economic growth. Despite these challenges, signs of stable growth, ongoing disinflationary trend, and strong economic performance in the United States and several major emerging market and developing economies suggest a reduced probability of a severe economic downturn.

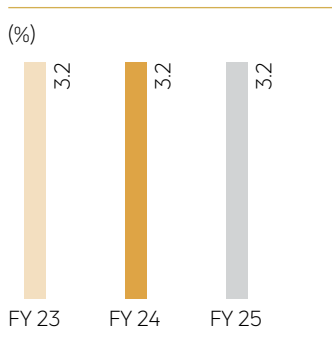
Global inflation, a major concern over the past three years, continues to recede at a faster pace. While headline inflation has sustained a decline from its unprecedented peaks, core inflation has proven to be sticky and is expected to decline gradually. Advanced economies are returning to their inflation targets sooner than emerging market and developing economies, fostering optimism for continued easing of financial conditions and improvement of monetary policy frameworks.

The latest inflation print for the US economy, for the month of May 2024, came in at 3.2%. Though 120 bps higher than the target rate of 2%, the decline from the 8-9% levels seen in 2022 and 2023 is very steep. The Federal Reserve officials have maintained that any decision on rate cuts would be data dependent.

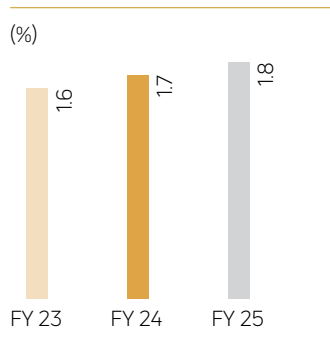
Growth Projection

(Real GDP Growth. Percent Change)

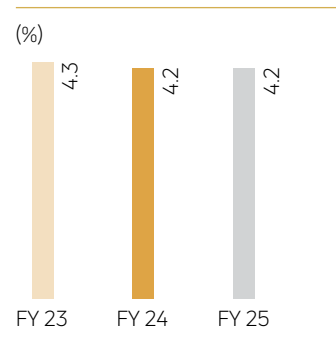
Global Economy



Advanced Economies



Emerging Market & Developing Economies



(Source: International Monetary Fund)



Outlook

The global economy is projected to maintain a growth rate of 3.2% in both 2024 and 2025. Advanced Economies (AEs) are projected to witness a modest uptick in growth from 1.6% in 2023 to 1.7% in 2024 and 1.8% in 2025. Emerging Markets and Developing Economies (EMDEs) are expected to experience a slight decline from 4.3% in 2023 to 4.2% in 2024 and 2025. Global headline inflation is expected to decrease to 5.9% in 2024 and 4.5% in 2025. Food inflation continues to be a tricky area as the Food and Agriculture Organisation (FAO)'s recent food price index reveals.

Regional conflicts and geopolitical unrest have the potential to increase energy and commodity prices and increase the risk of supply disruptions, contributing to geo-economic fragmentation and presenting downside risks for the global economy. However, positive factors such as economic stimulus in China, anticipated easing of fiscal policy, rebound in the euro area, and a significant resurgence in labor supply in many advanced economies are expected to strengthen the global economic outlook. Having said this, the outcome of US presidential elections in November 2024 will be an event to watch out as the return of Trump could mean re-emergence of trade war with China and the resurgence of protectionism in the US. As India is not decoupled, these factors will have consequences for our economy.

Indian Economic Overview

Amid a volatile global economic landscape, the Indian economy maintained a steady growth trajectory, solidifying its position as the fifth-largest economy in the world. According to the provisional estimates of gross domestic product (GDP) growth released by the National Statistical Office (NSO), India's GDP growth rate has exceeded the second advance estimate and is estimated to have touched 8.2% in FY 2023-24 compared to 7.2% in FY 2022-23. The fourth quarter of FY 2023-24 witnessed a robust growth rate of 7.8% Y-o-Y due to strong performance in the manufacturing sector. The overall economic growth was supported by strong domestic demand, increased investment, moderate inflation and a stable interest rate environment. However growth in private consumption was muted in FY24 due to tepid monsoon which is attributable to El Niño phenomenon. Agriculture growth was just 1.2% in FY24 which suppressed rural demand, in turn impacting the profitability of industries with backward and forward linkages to the agrarian economy.

India's per capita GDP in current prices is estimated at ₹ 2.11 lakh in FY 2023-24, achieving healthy growth of 8.6%. The growth observed in the Index of Industrial Production (IIP), Goods & Services Tax (GST) collections, manufacturing Purchasing Managers' Index (PMI), and increasing private capital expenditure collectively signifies strong economic momentum. Furthermore, headline inflation softened to 5.4% during FY 2023-24 from 6.7% in the previous year. However, volatile food prices hinder the trajectory of disinflation. The RBI opted to maintain the policy repo rate at 6.50% and remain vigilant to take effective measures to achieve the target of 4% inflation.

Outlook

India's economic outlook remains promising, with the IMF projecting a GDP growth rate of 6.8% in FY 2024-25 and 6.5% in FY 2025-26. The economy is poised to benefit from the demographic dividend, increased capital expenditure, proactive government policies, robust consumer demand, and improving rural consumption prospects. As headline inflation eases towards the target, it is expected to stimulate consumption demand, especially in rural areas. Furthermore, the prospects for agriculture and rural activity appear favorable due to diminishing El Niño conditions and the expected above-normal southwest monsoon. The new government has also indicated its renewed focus on agriculture and rural segments which should augur well for consumption growth. The continued push towards capex will complement the rural growth story and catalyze rural economic development.

Spillovers from geopolitical tensions, volatility in global financial markets, geoeconomic fragmentation, and climate shocks are the key risks to the growth and inflation outlook. However, the Indian economy has withstood recent upheavals and is well-positioned to navigate forthcoming uncertainties. A key risk to mention, however, is the decline in net household financial savings, for which latest available data is for FY23. This may be an indication of over-leveraged households as evidenced by rising growth in retail credit growth, especially credit card loans. The recent hike in risk weights to certain segments and RBI voicing concerns about bank lending to NBFCs and unsecured segments are other downside risks to growth.

The government's continued emphasis on capital expenditure, and fiscal consolidation efforts, coupled with growing consumer and business optimism augur well for investment and consumption demand. Key government initiatives such as 'Make in India 2.0', Ease of Doing Business, PLI scheme and the National Green Hydrogen Mission are poised to bolster the infrastructural and manufacturing base, enhance economies of scale, boost exports and position India as a global manufacturing hub. Furthermore, the Interim Budget 2024-25 outlines a comprehensive economic management strategy, including infrastructure development, digital public infrastructure, taxation reforms, and proactive inflation management. These measures lay the foundation for achieving the vision of a developed and self-reliant India by 2047. The full budget scheduled tentatively in July should come out with further measures to complement these initiatives.

Industry Overview

Financial Services Industry

India's diversified financial sector is experiencing rapid expansion, characterized by the robust growth of established financial services firms and the entry of new entities into the market. Indian financial sector comprises commercial banks, insurance companies, non-banking financial companies (NBFCs), fintech startups, co-operatives, housing finance firms, pension funds, mutual funds and other smaller financial entities. This diverse range of financial services caters to a broad spectrum of customers, addressing their needs and accessibility requirements.

The wealth management industry in India has experienced tremendous growth over the last decade. As the Indian economy continues to expand, there is an increasing demand for efficient wealth management services. With a thriving start-up ecosystem in India, rising income levels, financialization of assets and friendly macro factors with ease of doing business, there has been a significant rise in both corporate profitability and individual wealth, creating a strong tailwind in the number of high net-worth individuals (HNIs) and ultra high net-worth individuals (UHNWIs). According to Knight Frank's report, 'The Wealth Report 2024', India saw an annual rise of 6.1% in the number of UHNWIs in 2023 over the previous year. The number of ultra-rich Indians is expected to rise further by 50.1% from 13,263 in 2023 to 19,908 in 2028. India is projected to witness the highest growth for any country in the number of UHNWIs between 2023 and 2028 due to robust GDP growth and a positive outlook for the Indian economy.

The demand for financial services is surging across various income brackets, propelled by rising incomes. Several factors are fueling the growth of the financial service industry in India. One key driver is the considerable surge in the cohort of affluent youth, indicating a burgeoning market for financial products and services. Additionally, governmental initiatives to regulate illegal financial channels and the tightening of capital market regulations are playing pivotal roles.

The government's efforts to enhance financial infrastructure and strengthen regulatory frameworks have fostered an environment conducive to investments and the growth of private wealth. The rising formal penetration of financial services will amplify opportunities. Furthermore, the RBI's decision to keep the repo rate unchanged has implications for banks and financial institutions, particularly concerning lending rates, which are linked to the RBI's repo rate. A stable repo rate signifies consistency in interest rates for borrowers, providing them assurance and a sense of stability and predictability in their financial commitments.

Bank credit growth was high and outpaced deposit growth significantly in FY 2023-24. Credit growth to agriculture and allied activities was robust at 20.1% Y-o-Y in March 2024 compared to 15.4% the previous year. Credit to the industry sector registered a growth of 8.5% Y-o-Y in March 2024 compared to 5.6% in March 2023. Credit growth to the service sector increased to 20.2% Y-o-Y in March 2024 compared to 19.6% in March 2023, driven by higher growth in credit to 'transport operators' and 'commercial real estate'. However, credit growth to NBFCs and 'trade' decelerated in March 2024 compared to March 2023, majorly reflecting the merger of HDFC with HDFC Bank. Furthermore, personal loans growth moderated to 17.7% Y-o-Y in March 2024 compared to 21.0% in March 2023 due to decelerated growth in vehicle loans and other personal loans.

Outlook

With India's positive long-term economic outlook, favorable demographics, rising income levels, and relatively low market penetration, the trajectory of the Indian financial service market is steadily ascending. The growth potential of financial services

in India is poised to replicate the rapid increase in income levels and the expected surge in High Net Worth Individuals (HNIs) in the country. Additionally, the shift in attitude towards investing and wealth management and increasing confidence among retail investors have created a positive sentiment in the financial services space, signaling a promising outlook for the industry. The surging additions to demat accounts show the strong role played by domestic investors, sometimes acting as a counterweight to foreign institutional investors.

According to CareEdge Ratings, the outlook for bank credit offtake continues to be positive due to the economic expansion, rise in capital expenditure, growth in retail credit and the anticipated expansion in capex spending especially by the private sector. The growth is expected to be broad-based across the segments. The personal loan segment is expected to maintain its strong performance compared to the industry and service segments. However, global uncertainties could adversely impact credit growth. Moreover, decreasing inflation could reduce the working capital demand.

NBFC Industry

India's Non-Banking Financial Companies (NBFC) industry continues to remain instrumental in driving credit growth for the country's underserved segments. As per latest available data, the contribution of NBFCs to India's gross domestic product (GDP) stood at 12.60%, thus becoming a vital component of the country's economic engine. As a key accelerator in the Indian financial landscape, the NBFC industry is witnessing steady growth. The sector reached a remarkable size of US\$ 326 billion according to the latest data, propelled by segments like housing finance, microfinance, and consumer finance. Another key driver contributing to the expansion of the NBFC sector is the increasing demand for credit from MSMEs. Leveraging digitization, the NBFC sector has provided alternative financing options, especially catering to the needs of MSMEs, which face challenges in obtaining loans from traditional banks.

The growth in the NBFC sector is driven by several factors, including a burgeoning middle class, improved financial inclusion and positive policy interventions. According to a 2023 report by CAFRAL, an RBI-funded think tank, NBFCs and fintechs are the primary drivers of credit demand among the younger demographic, constituting 70% of lending to individuals below the age of 35. Leveraging widespread technology adoption and seamless integration with the fintech ecosystem, NBFCs have maintained healthy growth in disbursements across various product lines, driven by robust demand in 2023, a trend expected to persist in the coming years. NBFCs have undertaken product innovations to cater to the specific needs of different customer segments, thereby providing niche product offerings.

The Reserve Bank of India (RBI) enforced stricter regulations concerning the unsecured lending portfolio of NBFCs and Banks amid concerns of unusually rapid growth in this category. NBFCs' growth in unsecured retail credit was an astounding 50% YoY in H1 FY 2022-23- H1 FY 2023-24, while banks experienced a notable 34% uptick in the same category during this period. The unsecured retail loans have been growing by 20-60% YoY



across all major lenders. Credit card issuance also exhibited faster growth for most lenders. In a bid to address these concerns, the RBI implemented stringent measures targeting NBFCs and banks. Following a circular issued in November 2023, it increased the risk weights on unsecured personal loans and loans provided to NBFCs by banks. Consequently, the growth rate in personal loans declined in Q3 FY 2023-24 after growing sequentially by 13.3% in Q2 FY 2023-24 to 7.2% in Q3 FY 2023-24; however, it continues to grow at a steady pace.

Outlook

The NBFC sector's outlook is promising. As India is poised to benefit from a huge demographic dividend, NBFCs have a great opportunity to continue targeting this segment and expand their credit portfolio. India's economic growth and rising per capita income are expected to drive growth in financial requirements, opening new avenues of growth for NBFCs. Furthermore, increased formalization and urbanization will also present opportunities for the sector.

CRISIL Ratings projects a 14-17% expansion in the assets under management (AUM) of NBFCs in FY 2024-25 driven by continued strong credit demand across retail loan segments. However, growth is expected to be moderately lower than 16-18% seen in FY 2023-24, primarily due to relatively slower growth in unsecured retail loans following RBI's guidelines on risk weights. Looking ahead, diversification in product offerings and funding profiles will be key components of NBFCs' growth strategy. Following the RBI's scrutiny, NBFCs are anticipated to reconsider their reliance on deposits. While larger NBFCs with strong credit ratings and established brands may still attract deposits, smaller entities are expected to seek alternative funding sources to navigate the evolving regulatory landscape. However the increasing formalization of the economy and factors like rapid urbanization are tailwinds as far as the future growth potential of NBFC sector is concerned.

Gold Loan Industry

The organized gold loan segment has undergone a transformation in recent years. The organized segment comprises public banks, private banks, small finance banks, cooperative banks, non-banking financial companies (NBFCs) and Nidhi companies, collectively constituting 35% of the gold loan market. They provide borrowers with a formal and structured credit solution, ensuring a more transparent and efficient borrowing process. The unorganized segment, which is dominated by moneylenders and pawnbrokers, accounts for 65% of the market. Despite the growth of the organized sector, the unorganized gold loan market continues to thrive, especially in rural and semi-urban areas. Local pawnbrokers and moneylenders play a crucial role in providing short-term credit to individuals who may lack access to formal financial institutions. However, this sector frequently operates without transparency or regulatory oversight, leaving borrowers vulnerable to potential exploitation and exorbitant interest rates.

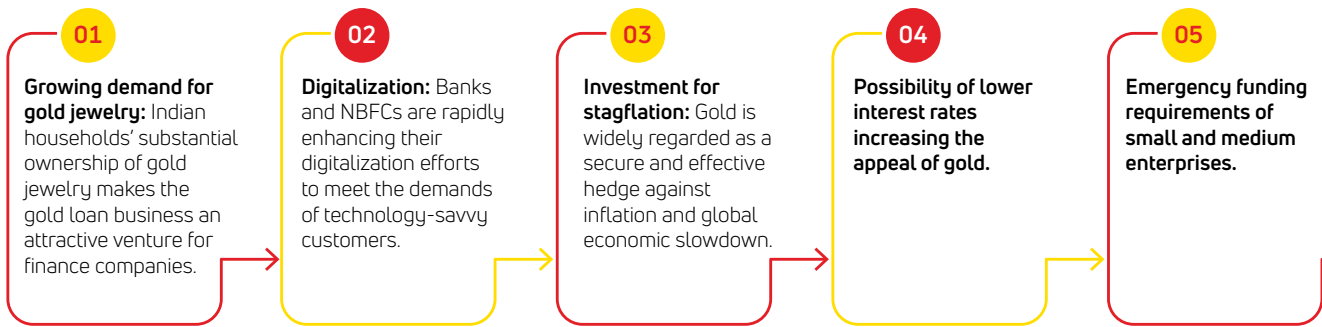
The overall gold loan market in India is valued at ₹ 18 lakh crore, with the organized market size reaching US\$ 80.12 billion in 2023. The market is driven by the cultural significance of gold in India, resulting in a vast reserve of gold in Indian households estimated at over 27,000 tons, of which 5,300 tons, are pledged as loan collateral. The government has initiated measures to mobilize gold held by households and institutions with the launch of the Revamped Gold Monetization Scheme (R-GMS).

The assets under management (AUM) for the gold loan industry are organized or serviced by banks, NBFCs and cooperatives. The flexibility offered by NBFCs, combined with the average Indian's preferences for gold, serves as a key catalyst in driving the gold loan market. Despite facing fierce competition from banks, NBFCs focusing on gold loans have maintained a resilient market share of over 60%. While NBFCs, renowned for their servicing agility typically offer relatively small ticket sized loans, banks have directed their focus towards borrowers seeking higher ticket loans and competitive interest rates. Banks have particularly targeted non-agricultural gold loans for personal use, especially in ticket sizes of ₹ 3 lakh and above, in recent years.

NBFCs have strategically adapted to sustain growth and market share. They have expanded their clientele and managed growth by enhancing accessibility through a wider network with branches available in deep rural geographies, introducing online gold loan services and doorstep facilities, and employing targeted marketing tactics to engage inactive customers. The growth in the assets under management (AUM) of gold-loan NBFCs has been driven by their capability to retain customers, as evidenced by a stable base, a focus on small and mid-size loans, and expanding branch networks.

The growing competition in the gold loan market has been further ignited by fintech companies redirecting their focus towards secured loans, such as gold loans, following the RBI's decision to raise risk weights on unsecured loans. Consequently, several fintech firms have diversified their product portfolios to include gold loans. With increasing competition from both gold loan companies and fintech firms, coupled with higher gold prices impacting individuals' purchasing power, the robust growth trajectory observed in banks' gold loan portfolios is displaying signs of moderation. According to data from the Reserve Bank of India, the Y-o-Y growth in loans against gold jewelry offered by banks has declined to 15% in February 2024 from its peak of 26% in June 2023.

The growth of the gold loan industry is significantly impacted by fluctuations in gold prices. Domestic gold prices surged to all-time highs, reaching ₹ 66,529 per 10 grams in March 2024. While the robust Indian economy continues to bolster demand for gold and jewelry, the soaring prices are anticipated to dampen consumer sentiment and consequently, suppress gold demand. However, the elevated prices are expected to encourage increased investment in gold-linked financial products, as investors seek to capitalize on the market dynamics.



Outlook

While the global economic slowdown and inflation may drive gold prices upward, the anticipated rate decreases by central banks, spurred by faster disinflation will provide relief. Furthermore, robust economic growth and moderating inflation in India are poised to boost consumer sentiment, leading to an anticipated growth in demand for gold loans. The organized gold loan market size in India is expected to grow at a CAGR of 6.80% from 2023 to 2028.

The outlook for the gold loan industry will be influenced by the RBI's increased scrutiny of NBFCs, banks, and fintechs. This development is poised to improve governance and mitigate exuberant lending practices in the gold financing sector. However, regulatory scrutiny may also escalate operational costs for industry players due to higher compliance requirements, intensified competition, and higher thresholds for branch profitability, potentially slowing down loan growth. Furthermore, the heightened scrutiny by the RBI is expected to give banks a competitive advantage in the market. Over the past five years, banks have exhibited a remarkable growth rate of 37% in their gold loan portfolios. As the industry gets larger and becomes more standardized, the market share of banks will continue to increase. However, NBFCs are expected to continue playing a significant role, leveraging their agility compared to banks. Gold loan-focused NBFCs have carved out a niche by offering additional services such as quick turn-around time of disbursement and doorstep services, ensuring their relevance in the evolving landscape of the gold loan market. Considering the expanding size of the gold loan market and ongoing untapped opportunities, there is ample room for growth for both banks and NBFCs in the long term.

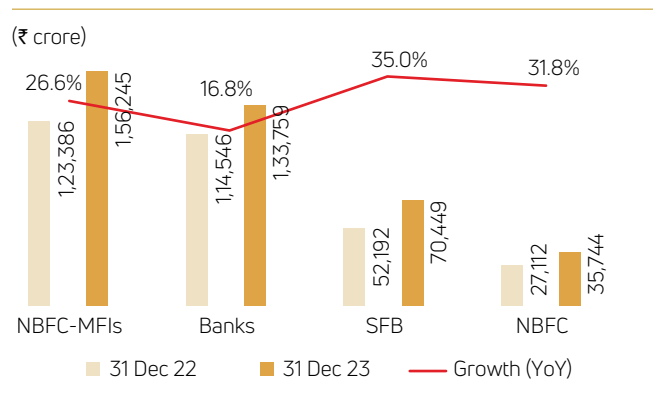
Overview of Other Business Verticals

Microfinance Industry (MFI)

The microfinance industry is pivotal in fostering inclusive growth by providing credit to borrowers at the bottom of the economic pyramid. Microfinance institutions (MFIs) have established extensive distribution networks across urban and rural India. Despite serving a vulnerable clientele, MFIs have demonstrated their resilience by effectively recovering from crises and maintaining profitability. The microfinance industry has been growing despite facing various headwinds in the past decade, such as demonetization and more state-specific farm loan waivers.

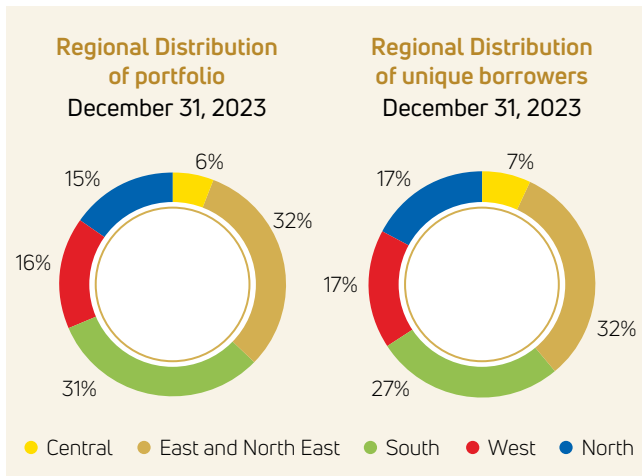
According to MFIN's Micrometer report Q3 – FY 2023-24, as on December 31, 2023, the microfinance industry served 7.4 crore unique borrowers, through 14.6 crore loan accounts. The overall microfinance industry currently has a total Gross Loan Portfolio (GLP) of ₹ 3,99,442 crore. All regulated entities have registered healthy growth on a Y-o-Y basis during Q3 FY 2023-24. NBFC-MFIs surpassed banks in the overall microfinancing landscape and became the largest provider of micro-credit with a loan amount outstanding of ₹ 1,56,245 crore, accounting for 39% of the total industry portfolio. Banks account for 33% of the industry. SFBs (Small Finance Banks) have a total loan amount outstanding of ₹ 70,449 crore with a total share of 18%. NBFCs account for 9% and Other MFIs account for 1% of the industry. The Asset Under Management (AUM) of MFIs stood at ₹ 1,41,980 crore as on December 31, 2023, including owned portfolio of ₹ 1,15,560 crore and managed portfolio of ₹ 26,420 crore. The owned portfolio of MFIN members represents 74% of the NBFC-MFI universe portfolio of ₹ 1,56,245 crore.

Portfolio outstanding of the microfinance industry



(Source: Micrometer Q3 – FY 2023-24)

The regional spread is depicted in the pie chart below which shows that East and North-East continue to have the largest share of portfolio, though on a declining trend. The Top 10 states (based on universe data) constitute 83.6% in terms of GLP. Bihar continues to be the largest state in terms of portfolio outstanding followed by Tamil Nadu and Uttar Pradesh. Among the Top 10 states, Tamil Nadu has the highest average loan outstanding per account of ₹ 29,996 followed by Kerala at ₹ 28,979.



(Source: Micrometer Q3 – FY 2023-24)

The microfinance industry in India has witnessed a significant transformation with the advent of digital technology. Many industry players have embraced digital strategies, including mobile applications, digitization of loan processes, Aadhaar-based authentication, cashless transactions, and digital financial literacy programs to improve their operations and expand their customer base. Additionally, MFIs have collaborated with fintech firms to augment their digital capacities and offer enhanced services to customers.

Outlook

CRISIL MI&A Research projects that with the economic revival and unmet demand in rural areas, the overall MFI portfolio size will soar to ₹ 5,451 billion by FY 2025-26. It also expects that the MFI will grow at a robust 16% CAGR between FY 2022-23 and FY 2025-26. The key drivers of the growth outlook include the increasing penetration into rural regions and expansion into new states, faster growth in the rural segment, an increase in average ticket size, and higher utilization of support systems such as credit bureaus. Furthermore, the presence of self-regulatory bodies such as MFIN and Sa-Dhan is expected to support the industry's sustainable growth. Additionally, while household credit through MFI loans has been rising, it remains relatively low, indicating a substantial untapped market for MFI players.

Automobile Domestic Sales Trends

Category	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Passenger Vehicles	33,77,389	27,73,519	27,11,457	30,69,523	38,90,114	42,18,746
Commercial Vehicles	10,07,311	7,17,593	5,68,559	7,16,566	9,62,468	9,67,878
Three-Wheelers	7,01,005	6,37,065	2,19,446	2,61,385	4,88,768	6,91,749
Two-Wheelers	2,11,79,847	1,74,16,432	1,51,20,783	1,35,70,008	1,58,62,087	1,79,74,365
Quadricycles	627	942	-12	124	725	725
Grand Total	2,62,66,179	2,15,45,551	1,86,20,233	1,76,17,606	2,12,04,162	2,38,53,463

(Source: Society of Indian Automobile Manufacturers)

NBFC-MFIs are projected to maintain their lead over other MFI lenders. They are anticipated to expand their market share in the medium term, achieving a double-digit CAGR of 22% between FY 2022-23 and FY 2025-26.

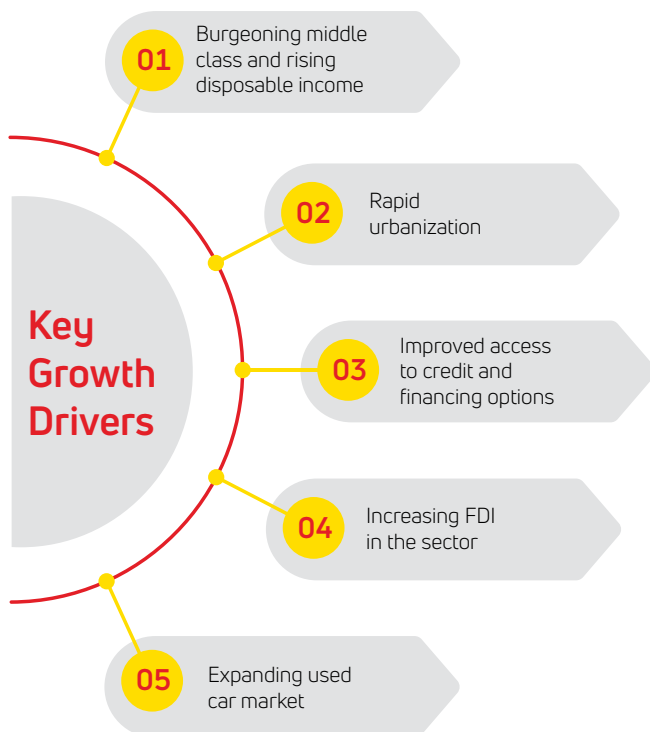
Digitalization is expected to reduce costs, improve collection efficiency and bolster profitability for the MFIs. According to CRISIL MI&A Research, leveraging technology to lower customer servicing costs, enhance productivity, and reduce credit costs is expected to drive improved profitability for MFIs. Moreover, regulatory measures are also anticipated to foster a level playing field, leading to increased competition and ultimately benefiting the end customer.

Automobile Industry

The Indian automobile industry recorded a satisfactory performance, with 12.5% growth in domestic sales in FY 2023-24. India's strong economic growth and implementation of various government schemes in the automobile sector are yielding positive outcomes.

According to the Society of Indian Automobile Manufacturers (SIAM), the total production of automobiles was 28.43 million units in FY 2023-24, including passenger vehicles (PV), three-wheelers, two-wheelers, and quadricycles. The Passenger Vehicle segment led the growth in total automobile sales. PV segment registered an 8.4% surge in sales, contributing to an overall sale of 5 million units, including 4.2 million domestic sales and 0.7 million exports. The strong performance of the PV segment was fueled by positive consumer sentiments, new model launches and product upgrades from OEMs, greater availability, effective marketing, enticing offers and schemes, and recovery in the rural market. The two-wheeler segment continued its recovery path and recorded healthy growth of over 13% in domestic sales, reaching 17.97 million units in FY 2023-24. The growth of the two-wheeler segment is primarily attributed to robust rural demand, buoyed by a favorable harvest and strong consumer sentiment. Furthermore, there is a consistent rise in electric vehicle (EV) adoption in India. Electric 4-wheeler sales reached 90,432 units, while Electric 2-wheeler sales reached 9,44,126 units in FY 2023-24.

The government’s push for EV adoption and clean mobility, rationalizing the GST tax structure on EV charging and batteries, along with the reinforcement of existing EV policies and the introduction of new ones, will be pivotal in fostering the growth of electric mobility in India. To provide additional momentum to EV adoption, the outlay of FAME India scheme Phase II has been increased from ₹ 10,000 crore to ₹ 11,500 crore. In the Interim Budget of 2024-25, the government’s emphasis on expanding and strengthening the EV ecosystem by supporting manufacturing and charging infrastructure is expected to further boost the growth momentum of the EV sector. Moreover, the Electric Mobility Promotion Scheme 2024 (EMPS 2024), with a budget of ₹ 500 crore, became effective from April 1, 2024, and will continue till the end of July 2024. The scheme aims to subsidize the purchase of electric two-wheelers and electric three-wheelers, aiming to promote the adoption of electric vehicles (EVs) nationwide. Furthermore, the tenure of the PLI scheme for automobile and auto components has been extended by one year until FY 2027-28, providing support for growth and competitiveness in the sector. The FAME III scheme on the anvil, efforts to source key ingredients like lithium by liberal mining policies and entering into bilateral trade agreements with mineral rich countries are expected to boost the EV ecosystem.



Outlook

The automotive industry remains optimistic that the growth momentum will continue in 2024, buoyed by a positive macroeconomic outlook. Additionally, a favorable monsoon forecast is expected to strengthen the industry growth in 2024. Despite concerns about high inventory levels, the PV segment is expected to grow in 2024, supported by new product launches, a strong order book, and positive market sentiments.

The Interim Budget’s emphasis on infrastructure development, with an enhanced capital outlay of ₹ 11.1 lakh crore and a

higher allocation of ₹ 2.78 lakh crore for the Ministry of Road Transport and Highways (MoRTH) in FY 2024-25, is expected to create favorable conditions for the automotive sector. Moreover, government initiatives such as Make in India, the Automotive Mission Plan 2026, and the National Electric Mobility Mission Plan 2020 are supporting the industry’s growth trajectory. With India positioned to spearhead the electric vehicle (EV) revolution and solidify its status as a global automotive hub, the outlook for the Indian automobile industry appears promising.

Housing Finance Industry

Housing finance in India is provided by banks, NBFCs, and housing finance companies (HFCs). Banks hold the dominant share of 67% in the Indian housing finance sector. The Indian housing finance market experienced a robust CAGR of 13% over the fiscal years 2019-2023. The housing finance sector continues to benefit from strong macroeconomic factors driving demand, such as increasing disposable income, strong demand from smaller cities, favorable interest rates, and government support for housing initiatives. The surge in outstanding housing credit is attributed to the robust resurgence of the residential property market post-pandemic, driven by pent-up demand.

Housing finance companies (HFCs) are experiencing ongoing healthy growth in assets under management (AUM), driven by underlying demand and supported by strong balance sheets, with HFCAUMs expected to grow in double-digits in FY 2024-25. With the pace of new residential property launches increasing, most HFCs have further strengthened their distribution networks and expanded operations to Tier II and Tier III cities.

According to the 3rd edition of “How India Celebrates” Report by credit bureau CRIF High Mark, home loan originations in terms of value increased by 8.9%, climbing from ₹ 227.1 thousand crore to ₹ 247.4 thousand crore between Q3 FY 2022-23 and Q3 FY 2023-24. There was a substantial 17.4% growth in originations for loans exceeding ₹ 35 lakh. Furthermore, the average ticket size experienced a 9.9% growth, rising from ₹ 24.3 lakh to ₹ 26.6 lakh during the same period.

The Indian residential real estate sector is witnessing strong demand, backed by improving affordability, rising urbanization, low mortgage to GDP ratio, favorable demographics and supportive government policies. Additionally, a shift in consumer behavior post-pandemic towards preference for open living spaces, and premiumization, along with other factors such as low interest rates and stamp duty rebates have contributed to the upswing in the residential real estate market. Since the pandemic, housing demand has surged, resulting in residential unit sales reaching a decade-high of 4,70,424 units in 2023, with 4,67,449 new launches. Furthermore, the RBI’s decision to maintain the repo rate at 6.50% offers stability and confidence to homebuyers, ensuring steady loan terms and fostering an environment conducive to growth and opportunity in the real estate market.

Affordable Housing Finance Companies (AHFC) represent a niche yet rapidly expanding sector within the broader housing



finance market, accounting for 6% of the total market share. Despite facing funding challenges in the past, AHFCs have consistently emerged as the fastest-growing segment in the housing finance sector. Benefiting from an improving macroeconomic environment, AHFCs experienced a substantial rebound in growth in FY 2022-23, with their portfolio expanding by 27% Y-o-Y. According to CareEdge Ratings, AHFC portfolio growth reached 29% Y-o-Y in FY 2023-24.

Outlook

The Indian housing finance industry is poised for continued growth, with strong demand anticipated, especially in the affordable housing segment, projected to grow by 30% in FY 2024-25. CRISIL MI&A forecasts housing loan credit to grow at a robust CAGR of 13-15% between FY 2022-23 and FY 2025-26, supported by the strengthening of the Indian economy.

Key drivers such as increasing incomes, improving affordability, rising urbanization, and government initiatives continue to propel the industry forward. With a large population base, an expanding middle class, and a growing trend towards homeownership, the sector is well positioned to capitalize on government-led housing projects, increasing construction and real estate activities, and strategic investments. Various government initiatives aimed at promoting affordable housing and increasing homeownership will further stimulate industry growth. Initiatives, such as the Pradhan Mantri Awas Yojana (PMAY), Credit-Linked Subsidy Scheme (CLSS) and the construction of 2 crore more houses under the PMAY-Gramin proposed in the Interim Budget 2024-25 are expected to boost housing demand and foster growth in the housing finance industry. Further, the new government has announced that an additional 3 crore affordable houses is targeted under the PMAY (Urban and Grameen) schemes.

Insurance Industry

The insurance sector is pivotal within India's financial services industry. The growth of the insurance market is supported by several factors, including a conducive regulatory environment, government initiatives, increased partnerships, heightened private sector involvement, product innovations, vibrant

distribution channels and rapid digitalization. Furthermore, India's demographic dynamics, characterized by a rising middle class, a young insurable population, and increasing awareness regarding the necessity of protection and retirement planning, are driving the expansion of the Indian insurance sector.

First-year life insurance premiums increased to ₹ 3,77,960.4 crore in FY 2023-24 from ₹ 3,70,543.02 crore the previous year, reflecting a modest growth of 2%. The non-life insurance industry recorded a premium of ₹ 2.9 lakh crore in FY 2023-24, reflecting a growth rate of 12.8%, compared to the 16.3% growth reported in FY 2022-23. The industry's growth has primarily been driven by the health and motor insurance segments. Health insurance premiums continue to be the key growth driver of the non-life insurance industry. This has increased the segment's market share from 33.3% for FY 2021-22 to 37.6% for FY 2023-24. Despite this, the growth rate of the health segment stood at 20.2% for FY 2023-24, which is lower than the growth of 23.2% witnessed for FY 2022-23. Government schemes expanded in FY 2023-24, raising their share within the health sector to 9.7% from 8.2% in FY 2021-22, driven by initiatives like Ayushman Bharat and other medical schemes.

However, non-life insurance experienced a slowdown in growth compared to the previous year, attributed to decreases in liability, crop insurance, and credit guarantee, with the fire and marine segments also recording subdued growth figures compared to the preceding year. In FY 2023-24, the total premium of the Motor insurance segment reached ₹ 91,781.3 crore compared to ₹ 81,280 crore last year, growing at 12.9%. The Crop insurance premiums witnessed a degrowth of 4% Y-o-Y with a total premium of ₹ 30,715 crore compared to ₹ 32,011.4 crore the previous year. The Fire segment recorded a total premium of ₹ 25,658.7 crore as against ₹ 23,931.7 crore in FY 2022-23, with a growth rate of 7.2% in FY 2023-24.

The market share of private non-life insurance companies witnessed sustained growth to 65% for FY 2023-24 compared to 62% in FY 2022-23, highlighting the persistent divergence in growth rates between the public and private sectors.

Movement in Gross Direct Premium Underwritten (₹ crore)

Insurers	Mar-22	Mar-23	Mar-24	Mar-23 Growth	Mar-24 Growth	FY22	FY23	FY24	FY23 Growth	FY24 Growth
Public General Insurers	6,879.8	7,155.3	7,863.6	4.0	9.9	75,132.6	82,891.3	90,344.5	10.3	9.0
Specialized PSU Insurers	1,119.5	1,277.0	908.5	14.1	-28.9	15,046.9	15,817.3	11,190.4	5.1	-29.3
Private General Insurers	10,938.6	12,383.1	13,558.4	13.2	9.5	1,09,753.3	1,31,941.8	1,55,079.7	20.2	17.5
SAHI	2,829.9	3,429.0	4,316.9	21.2	25.9	20,867.2	26,243.9	33,116.0	25.8	26.2
Total	21,767.8	24,244.5	26,647.5	11.4	9.9	2,20,800.0	2,56,894.2	2,89,730.6	16.3	12.8

(Source: CareEdge Ratings)

The Insurance Regulatory and Development Authority of India (IRDAI) is committed to realizing its mission of 'Insurance for all by 2047', with ambitious strategies to address the industry's challenges. Government initiatives and programs such as the Pradhan Mantri Fasal Bima Yojana (PMFBY) for crop insurance, Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Pradhan

Mantri Jan Arogya Yojana (PMJAY), among others, also contribute to the growth of the insurance market. Furthermore, the Interim Budget for 2024-25 aims to enhance value addition in the agriculture sector and boost farmers' income. It proposes to increase private and public investment in post-harvest activities, provide financial aid to 11.8 crore farmers under PM Kisan

Samman Yojana and provide crop insurance to 4 crore farmers under PM Fasal Bima Yojana.

Outlook

The insurance industry in India is well-positioned to maintain its growth momentum, buoyed by a supportive regulatory framework and the increasing need for insurance coverage for a vast population. Life insurance sector is expected to witness an annual growth rate of 14-15% over the next three to five years. Additionally, the integration of Internet of Things (IoT) technology is expanding the horizons of the Indian insurance market beyond telematics and customer risk assessment. Moreover, the emergence of InsurTech startups is anticipated to play a significant role in boosting the insurance sector and driving up insurance penetration rates across the country. Forecasts suggest that the insurance market in India will reach a substantial value of US\$ 222 billion by 2026, with regulatory developments expected to further propel this growth trajectory. The IRDAI predicts that India will ascend to become the sixth-largest insurance market globally within a decade, underscoring the nation's rapidly evolving insurance landscape and its potential for continued expansion.

Business Review

Manappuram Finance Ltd. ('Manappuram' or 'the Company') provides financial services through transparent processes for credit approval and disbursement, along with prompt, flexible and customer-centric repayment terms customized to meet the unique requirements of its clientele. The Company has established its reputation as the preferred choice of customers for its quick and seamless loan evaluation and disbursements. Leveraging its extensive reach, the Company extends its services to the most remote regions of India, establishing a solid foothold in both rural and semi-urban areas.

The Company's commitment to consumer-centric practices serves as a cornerstone of its operations. Its competitive advantage stems from a sturdy business model, deep understanding of client needs, and refined risk management strategies. Furthermore, the integration of advanced technology has improved sales productivity, expanded market reach, optimized channel distribution, and enriched customer experience.

The Company has solidified its position as the second-largest NBFC in the gold loan segment, registering a consolidated AUM of ₹ 420.70 billion in FY 2023-24, with standalone gold loans amounting to ₹ 207 billion. With a robust Pan-India presence, it operates through a network of 5,286 branches spanning 28 states and 4 union territories, catering to over 5.09 million active customers.

Business Performance in FY 2023-24

The Company has recorded strong growth in business volume and profitability and is well-positioned to sustain this growth. The consolidated Assets under Management (AUM) grew by 18.7% YoY to ₹ 421 billion in FY 2023-24 from ₹ 354 billion reported

in the previous fiscal year. Operating income stood at ₹ 88.48 billion in FY 2023-24, marking an increase of 32.38% compared to ₹ 66.84 billion in FY 2022-23. Consolidated PAT (before OCI and Minority Interest) reached ₹ 21.97 billion, reflecting a 46.5% YoY growth, compared to ₹ 15 billion the preceding year. The Company reported a consolidated return on equity (ROE) of 20.7% and return on assets (ROA) of 5.1%.

The Company's gold loan business constituted 51.1% of the consolidated AUM and the remaining 48.9% comprised of non-gold businesses such as microfinance, vehicle, housing, and SME finance. Gold loan AUM increased by 8.9% YoY to ₹ 215 billion as against ₹ 197.4 billion in the previous year. As of March 31, 2024, the number of active gold loan customers stood at 2.4 million. With an average ticket size of ₹ 58,500, the Company's gold loan portfolio is extremely resistant to gold price fluctuations. Gold Loan LTV stood at 58% as on March 31, 2024. The Company's gold holdings stood at 58.8 tons in FY 2023-24 compared to 60.1 tons last year. The online gold loan (OGL) book represented 57% of the overall gold loan.

The Company's efforts to strengthen its non-gold loan portfolio are yielding positive results. The non-gold businesses contributed a share of 48.9% to the total loan book of the Company, supported by strong demand in its microfinance, auto and housing loan businesses. The automobile industry in India recorded a satisfactory performance in FY 2023-24, buoyed by economic growth. While the Passenger Vehicles (PV) segment demonstrated strong growth, the Commercial Vehicles (CV) segment had marginal growth in FY 2023-24. The Company's Vehicle and Equipment Finance division closed the year with an AUM of ₹ 41.10 billion compared to ₹ 24.30 billion in FY 2022-23, reflecting 69.1% YoY growth.

The Company's microfinance (MFI) subsidiary, Asirvad Micro Finance Limited, recorded a turnover of ₹ 26,813 million as compared to the turnover of ₹ 17,152 million recorded during the previous financial year ended March 31, 2023. Revenue from operations for the year ended March 31, 2024, has increased by 56.33% over the corresponding period ended March 31, 2023. CRISIL has reaffirmed its rating of Asirvad at 'AA-minus stable'. The Company's home finance subsidiary, Manappuram Home Finance Ltd., recorded an AUM of ₹ 15.10 billion in FY 2023-24, a growth of 37.8% as against ₹ 10.96 billion achieved in the previous fiscal.

The total borrowing of the Company on a consolidated basis was valued at ₹ 336.54 billion in FY 2023-24. On the liquidity front, the Company has not encountered any obstacles in securing funds for growth. It anticipates no hurdles in funding its plans and remains well-positioned with its strong ALM and access to diversified sources of funds.

The Company recorded financial expenses of ₹ 28.65 billion in FY 2023-24 and closing AUM increased by 18.7% YoY. Employee expenses increased to ₹ 15.97 billion from ₹ 14.69 billion last year. The Company has implemented



several cost rationalization measures. Additionally, there is substantial operating expense leverage as the Company's new branches mature.

The Company's consolidated net worth increased to ₹ 115.48 billion in FY 2023-24 from ₹ 96.44 billion the previous year. The book value per share stood at ₹ 136.4. Consolidated earnings

per share (EPS) for the year stood at ₹ 26 while the capital adequacy ratio (standalone) was maintained at 30.58%. The Company's gross non-performing assets (GNPA) was 1.9% and the net NPA position of the standalone entity stood at 1.7%. The Company's total number of consolidated live customers in FY 2023-24 stood at 6.77 million compared to 5.88 million in FY 2022-23.

Credit Rating

The credit rating details of the Company as of March 31, 2024 were as follows:

Credit rating Agency	Type of Facility	March 31, 2024		March 31, 2023	
		₹ In Million	Rating	₹ In Million	Rating
CRISIL	Bank Loan Facility Long Term	69,950.00	CRISIL AA/Stable	54,500	CRISIL AA/Stable
	Bank Loan Facility Short Term	25,050.00	CRISIL A1+	15,500	CRISIL A1+
	Non-Convertible Debentures	45,228.00	CRISIL AA/Stable	46,250	CRISIL AA/Stable
	Commercial Paper	40,000.00	CRISIL A1+	40,000	CRISIL A1+
CARE	Bank Loan Facility Long Term	86,050.00	CARE AA Stable	64,900	CARE AA Stable
	Bank Loan Facility Short Term	53,950.00	CARE A1+	45,100	CARE A1+
	Non-Convertible Debentures	16,102.50	CARE AA Stable	27,206	CARE AA Stable
	Commercial Paper	40,000.00	CARE A1+	40,000	CARE A1+
Brickwork	Non-Convertible Debentures	9,506.20	BWR AA(Stable)	9,506	BWR AA(Stable)

International Credit Rating

Name of Rating Agency	Ratings
Fitch Rating	BB - /Stable
S&P Global Ratings	BB - /Stable/ B

Asset Quality

During the initial appraisal for loan price and approval, a customer's risk profile is determined. Additionally, the Company conducts periodic portfolio risk assessments using its strict review methodology. Gross NPA stood at 1.9% in FY 2023-24 compared to 1.33% in FY 2022-23, while net NPA stood at 1.7% in FY 2023-24 as against 1.15% in FY 2022-23.

Digital Transformation

The Company has embraced an enterprise-wide digital transformation. It strategically leverages its human and technological resources to achieve business objectives, including customizing customer experiences, streamlining processes, and expediting the development of innovative solutions. The Company aims to enhance operational efficiency and redefine its customer relationships by adopting innovative technologies. It is striving to enhance the security features of the office across remote work environments, enabling seamless communication and interaction from any location. Digital transformation encompasses the integration of digital technologies throughout all facets of an organization, including products, services, and operations, to provide added value to customers. This involves embracing a digital-first approach to all aspects of the business, including business models, customer experiences, processes, and operations. Additionally, it is leveraging data and implementing intelligent workflows, automation, hybrid cloud solutions, and other digital technologies.

Our organization has been a largest NBFC in India, has made significant strides in technology absorption to enhance efficiency and customer experience. We have digitalized the customer onboarding process using advanced AI-based solutions, ensuring a seamless and swift registration experience. The CKYC process has been automated through Robotic Process Automation (RPA), significantly reducing manual intervention and processing time. In our Non-Gold Loan (NGL) divisions, we have integrated account aggregators into our Unified Loan Origination System (LOS) platform, streamlining data aggregation and loan processing. Furthermore, we have implemented the UPI reverse penny drop service in our gold loan segment, enhancing the accuracy and reliability of transaction verifications. The integration of TransUnion Bureau in our MSME lead application process has strengthened our credit assessment capabilities, ensuring better risk management. To improve EMI collections, we have deployed bot calling technology across various non-gold loan verticals, increasing efficiency and reducing human error. These advancements underscore our commitment to leveraging technology to drive innovation, improve service quality, and maintain our leadership in the industry.

SWOT Analysis

Strengths

- **Robust brand reputation and proven track record**

Manappuram has been a key player in the gold lending sector for nearly seventy five years. Through continuous refinement of its assessment and underwriting techniques,

the Company has developed a robust approach to lending against gold jewelry through its extensive business experience. With decades of expertise in India's gold loan market, Manappuram has earned significant consumer trust and solidified its brand equity.

- **Portfolio diversification**

Manappuram has been consistently broadening its portfolio to mitigate concentration risks. This strategy serves as a hedge against adverse fluctuations in gold prices which is the core business function. Gold prices are susceptible to downside risks arising from potential increases in interest rates, dollar appreciation, and surges in equity indices. Diversifying its portfolio into commercial vehicles, home loans, microfinance, and small corporate loans enables the Company to capitalize on economic growth, as the performance of these sectors is closely linked to economic expansion. Furthermore, a diversified portfolio enhances investor interest, fostering a balanced investment approach.

- **Strong capitalization**

As of March 31, 2024, the Company's capital adequacy ratio stood at 30.58%, surpassing regulatory requirements by a significant margin. Stable asset quality, sustained profitability and ample capital enhance the Company's capacity for risk-taking in portfolio diversification. While asset impairment in gold loans remains low, the Company's enhanced collection efficiency in microfinance and reduced provisions for pre-Covid portfolios contribute positively to its capital reserves. Additionally, credit costs and delinquency levels in other portfolios remain at healthy and manageable levels.

- **Stable asset liability profile**

Over half of the Company's consolidated borrowings, which include off-balance sheet financing through securitization assignments and ECBs, originate from banks and financial institutions renowned for their high credibility and competitive pricing. On the asset-liability front, the Company benefits from positive gaps, ensuring comfortable liquidity. Furthermore, it maintains liquidity coverage above the regulatory minimum requirements.

- **Digital initiatives**

Digitalization has been a central focus for the Company. Nearly half of the gold loan portfolio is digital loans, and substantial progress has been achieved in the digital personal loan domain. As part of its digitalization drive, the Company has developed a digital super app, uniting all its products in one platform. Additionally, it has established collaborations with renowned universities to provide training to its employees on significant advancements in this arena.

Weaknesses/Areas of Improvement

- **Market share**

Although the Company achieves annual AUM growth of 17.4%, its total assets under management are relatively

low compared to the outstanding loans of banks and NBFCs combined. Despite having ample capital, the Company's low market share in lending indicates sub-optimal exploitation of substantial opportunities.

- **High operating expenses**

The Company's operating expenses are high compared to its peers due to various factors such as employee training costs and infrastructure-related expenses. Its operating expenses are higher relative to the AUM, a metric that deserves attention.

- **Inability to secure public deposits**

As Manappuram is not registered as a deposit-taking company, it must explore alternative funding sources like NCDs or ECBs to fund its assets, exposing it to interest rate fluctuations. This situation may adversely impact the Company's cost of funds, especially in periods of higher interest rates and high inflation. A higher cost of funds will limit the Company's ability to disburse loans to customers at lower interest rates.

Opportunities

- **Shift in interest rate cycle to spur demand**

The interest rate cycle appears to have reached its peak as the CPI inflation is receding and the RBI decided to maintain the repo rate. This peak is attributed to low inflation and the improvement in banking system liquidity. Lending rates are not expected to increase which will stimulate demand and create an opportunity for lending.

- **Extensive presence of the unorganized sector**

Credit penetration in India lags behind that of advanced economies. The broad reach of the unorganized sector indicates enormous potential for credit expansion. Similar potential exists in other sectors such as microfinance. Operational costs in this sector can be reduced through the co-lending model.

- **The government's focus on infrastructure and capex drive**

The government's consistent focus on infrastructure development and ongoing increase in capital expenditure every year is promising for the commercial vehicles segment. Furthermore, the thrust of urbanization and the allocation of ₹ 80,671 crore for the Pradhan Mantri Awas Yojana (PMAY) in the Interim Budget 2024-25 are expected to drive housing demand and create lucrative opportunities. As government spending and employment creation contribute to overall economic growth, additional opportunities will emerge.

- **Integration of advanced technologies**

The Company's adoption of advanced technologies such as AI and analytics unleashes unlimited opportunities. Leveraging analytics enables the extraction of insights from customer behavior data, aiding in tailored product design,



while AI and automation assist in reducing operational costs, directly contributing to the bottom line.

Threats

- Increasing competition in the core business of gold loans**
 All lending institutions, including banks and other NBFCs, are venturing into the gold loan sector to capitalize on the growing opportunity. This may impact the Company's profitability and growth.
- Customer and employee attrition**
 Customer and employee attrition, despite promising growth prospects, could impede the Company's growth trajectory. Additionally, increasing competition may compel field employees to intensify client acquisition efforts and minimize client turnover.
- Operational risks from robbery and theft**
 The risk of robbery and theft, especially in gold loan branches, demands immediate attention. Despite the

full insurance coverage for all pledged securities, such threats can negatively affect the Company's reputation. Additionally, operational hazards stemming from fraud and misappropriation pose an equally detrimental threat to the Company.

- Macroeconomic developments**

While low inflation and the peak in interest rates are favorable factors, the uncertain global environment poses a threat. Escalation of geopolitical tensions could potentially reignite inflation and exacerbate supply-side constraints, leading to a slowdown in domestic growth and demand. Additionally, the El Niño weather phenomenon could pose a threat to the monsoon, adversely affecting the rural economy.

Financial Review

The following table illustrates the standalone and consolidated financials of the Company for FY 2023-24, including revenues, expenses, and profits.

Consolidated Results at a Glance (In ₹ Billion)

Particulars	FY 2021	FY 2022	FY 2023	FY 2024	% growth
Income from operations	63.31	60.61	66.84	88.48	32.38%
Profit before tax	23.16	17.84	20.41	29.60	45.00%
Profit after tax (After minority interest)	17.25	13.29	15.00	21.97	46.50%
AUM	272.24	302.61	354.52	420.70	18.67%
Net Worth	73.07	83.68	96.45	115.48	19.73%
RoA (%)	5.61	4.08	4.10	5.10	24.39%
RoE (%)	26.17	16.95	16.60	20.7	24.70%
No. of branches	4,637	5,053	5,057	5,286	4.53%
Total No. of Employees	30,522	41,396	48,369	51,004	5.45%

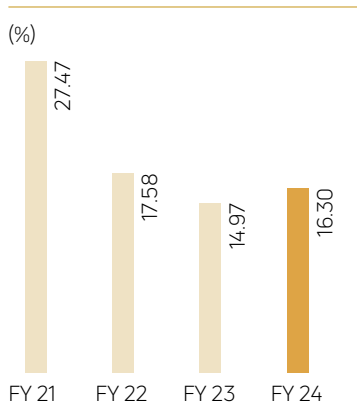
Standalone Results at a Glance (In ₹ Billion)

Particulars	FY 2021	FY 2022	FY 2023	FY 2024	% change
AUM	205.73	224.13	244.46	286.79	17.32%
Gold Loan AUM	190.77	198.67	190.41	206.56	8.48%
Gold Holding (Tons)	65.33	67.01	58.00	56.34	-2.86%
Live Gold Loan Customers (million)	2.59	2.37	2.30	2.37	3.22%
Gold Loans Disbursed	2,638.33	1,236.75	1,293.14	1,190.84	-7.91%
Capital Adequacy Ratio	29.02	31.33	31.70	30.58	-3.53%
Cost of Fund	9.12	7.50	7.90	8.60	8.86%
Gross NPA (%)	1.92	2.95	1.33	1.93	45.11%
Net NPA (%)	1.53	2.72	1.15	1.70	47.83%
Number of Branches	3,524	3,524	3,524	3,524	0.00%
CV Loans (AUM)	10.53	16.43	24.55	41.11	67.45%

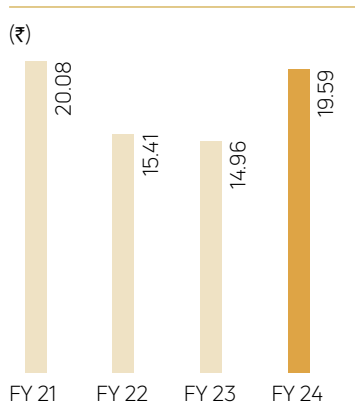
Key Financial Ratios (Standalone)

Particulars	FY 2021	FY 2022	FY 2023	FY 2024
Return on Net Worth (%)	27.47	17.58	14.97	16.30
Basic EPS (after exceptional items)	20.08	15.41	14.96	19.59
Interest Coverage Ratio	2.32	2.26	2.14	2.22
Current Ratio	2.34	1.68	1.96	1.78
Debt Equity Ratio	2.56	2.26	2.14	2.17
Operating Profit Margin (%)	46.89	41.80	38.92	41.33
Net Profit Margin (%)	32.50	28.44	26.23	28.32

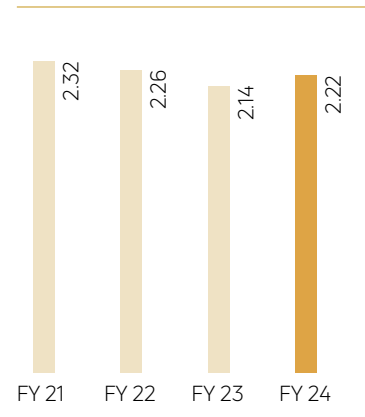
Return on Net Worth



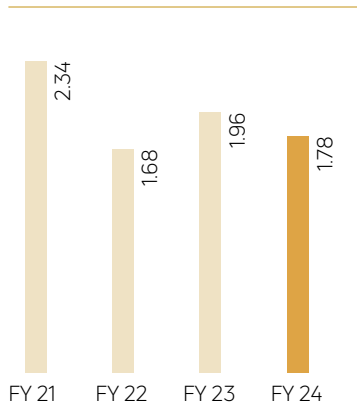
Basic EPS (after exceptional items)



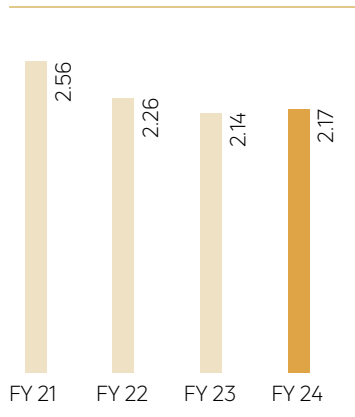
Interest Coverage Ratio



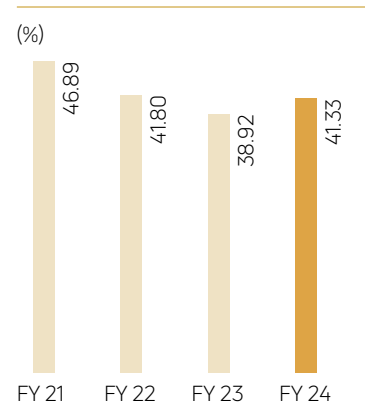
Current Ratio



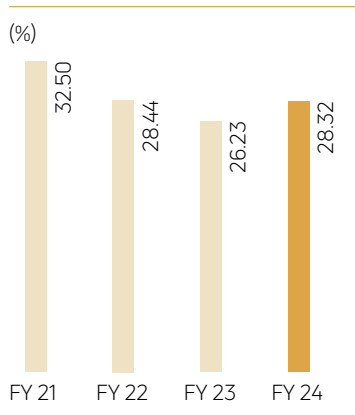
Debt Equity Ratio



Operating Income Margin



Net Profit Margin





Risk Management

Risk management is a major focus area with implications for a company's financial stability in a volatile and dynamic landscape. The major risks are Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Interest Rate Risk, IT and Cyber Security Risk and Reputation Risk. Robust risk management processes ensure efficient monitoring of risks to contain them within tolerance limits.

The Board of Directors provides effective supervision and oversight of MAFIL's risk management function. The Risk Management Committee (RMC) oversees and reviews all risks inherent to MAFIL. Additionally, the RMC regularly monitors the asset-liability profile, status of impaired assets, vulnerabilities in IT systems, internal capital adequacy assessment framework, outcomes of stress tests, and the risk profile of subsidiaries.

The RMC also monitors Business Continuity plans, Cybersecurity measures and IT risks with support from an information security team led by the Chief Information Security Officer (CISO) and assisted by reputed external consultants. The Risk Management function, led by the Chief Risk Officer, maintains an independent relationship with business verticals and reports directly to the MD & CEO.

Risk Management Process

The risk management system consists of the following essential components:

- Strategic objectives and guiding principles
- Delegation and supervision of obligations
- Internal capital adequacy assessment to ensure that the Company has required capital commensurate with the risks at MAFIL and its subsidiaries
- Framework and reporting cycle to identify, evaluate, manage, monitor and report top-down and bottom-up risks

The key risks and their corresponding mitigation measures are mentioned below:

Credit Risk

The Company employs a robust credit risk assessment framework, incorporating fair assessment of collateral, prudent loan-to-value limitations, individual and group exposure restrictions, industry-specific limits, and assessments of borrowers' creditworthiness based on their personal and family income, demographic profile, past credit records, and overall indebtedness.

While retail loans across various products and segments are predominantly managed on a portfolio basis, the smaller corporate portfolio is managed on an individual basis. MAFIL has formed credit monitoring teams and risk teams in each business verticals to identify the early warning signals and mitigating the emerging risks. Credit risk management also entails monitoring exposures based on borrower groups, regions, and industries. Credit Risk Management tools include portfolio diversification,

post-disbursement monitoring, credit audits, borrower relationship management, and remedial action.

Interest Rate Risk and Foreign Exchange Risks

The Company is susceptible to interest rate risk primarily due to its lending practices, which involve providing loans to customers at fixed interest rates and durations that may differ from its funding sources, which consist of both fixed and floating interest rates. Interest rates are influenced by a range of factors, including the monetary policies of the RBI, domestic and global economic conditions, and inflation. However, MAFIL's Gold loan portfolio is relatively shielded from interest rate volatility, given that the average loan duration is around four months.

The Company has Board-approved Interest Rate Policy, Liquidity Risk Management Policy, Resource Planning Policy, and Asset Liability Management Policy (ALM Policy). The Asset Liability Management Committee (ALCO) periodically monitors interest rate and liquidity risks. Additionally, the Company conducts stress tests to assess the impact of interest rate fluctuations on its profitability. Furthermore, the Foreign Exchange Risk Management Policy mandates the hedging of all foreign exchange liabilities and assets exceeding ₹ 10 million, which is also scrutinized by ALCO to address forex risks.

Operational Risk

Operational risks can stem from failures in internal procedures, personnel, and systems, or from external events. To mitigate such risks, the Company employs decentralized loan approval technologies to expedite processing times. MAFIL maintains robust internal control mechanisms, including separation of roles and duties, reliance on the maker-checker principle, joint custody agreements and contingency planning. Furthermore, securities pledged with the Company are adequately insured against various human and natural hazards. The Company also conducts risk-based internal audits, complemented by an independent agency, to ensure internal controls are in place, apart from a comprehensive disaster recovery plan to address contingencies. The vigilance surveillance mechanism identifies emerging unethical practices followed by members of staff, customers etc. which enables the company to take preventive measures before the risks materialize. The Company has a Board-mandated robust technology architecture to safeguard against business disruptions and data security breaches.

At the Periodic Review Meeting (PRM) of senior executives, operational risk occurrences are reviewed, and appropriate corrective measures are implemented. The Audit Committee of the Board reviews and discusses the reports of the internal auditors. The Risk Management Committee of the Board examines the efficacy of operational risk management mechanisms in the Company.

The BSI Group (British Standards Institution), the UK's national standards organization, issued ISO 27001-2013 certification to the Company, validating its risk management capabilities. The Whistle-blower Policy, aimed at preventing fraud, ensures

that perpetrators are held accountable for their actions and are not left unpunished.

Liquidity Risk

Liquidity risk arises due to insufficient funds at an optimal cost. As the Company has a positive ALM mismatch at the portfolio level, liquidity risk is negligible.

The Company strives to mitigate this risk through diversification of funding sources, securitization and assignment of receivables, capping short-term funding and maintaining liquidity buffers. ALCO monitors liquidity mismatches in various maturity buckets and ensures compliance with RBI guidelines. MAFIL has adequate High-Quality Liquid Assets (HQLA), with a comfortable Liquidity Coverage Ratio (LCR). The Company also has a sound cash management policy that adheres to the highest compliance standards.

A stress testing mechanism has been established to carry out event-based sensitivity analysis and identify the likely stress in cash flows due to various scenarios of market movements.

Asset/Security Risk

Asset risks arise from the potential depreciation of collateral values. For gold loans, the maximum LTV is determined by one-month moving average of gold prices, according to industry standards as per the RBI regulations. The Company also takes precautions to mitigate potential logistical challenges during the auction process of gold ornaments and follows requisite legal procedures. The underlying securities are adequately insured to protect against frauds, dacoity, pilferage and infidelity of the members of staff. Furthermore, the Company has implemented effective measures to mitigate operational risks stemming from theft and robbery, including the deployment of a 24/7 online monitoring system.

The Company strictly maintains a prudent LTV range of 30% to 40% on immovable properties for secured loans under the Micro Loans category. The valuation of immovable properties is conducted by both external appraisers and internal credit managers, with the lower of the two values being considered to determine the loan amount. Credit monitors, auditors, and the vigilance team independently verify the value of the properties mortgaged as collateral to ensure compliance with business policies.

IT and Cyber Risk

Information technology or IT risk poses threat to business data, critical systems and business processes and these risks have the potential to disrupt / damage business operations. MAFIL conducts IT audits, information security audit and conduct Vulnerability Assessment & Penetration Testing to identify the IT and cyber risks. The IT risks are managed through periodical internal risk assessment of the IT systems and data, implementation of robust incident reporting, business continuity plans, robust vendor risk assessment etc.

Senior Management, IT Strategy Committee of the Board and Risk Management Committee of the Board periodically review various technology risks such as protection of sensitive customer data, cybercrimes, data leakage, business continuity, access controls, and others and introduced robust IT risk management measures to meet any contingencies.

The Company has implemented processes, systems, and tools to ensure regular monitoring, maintenance of audit trails and logs, suspicious activity reporting etc. As part of risks assessment risk weights are awarded based on the criticality of the probabilities of risks.

The company based on the risk assessment has implemented tools for mitigating various security risks, viz. privileged identity management to control privilege access, advanced malware detection and protection, end-point encryption, mobile device management, network firewall to protect from cyber-attacks, web pages etc.

Business Risk

The Company is susceptible to Industry Risk and Competition Risk which impact its financial performance, influenced by external factors such as changes in macroeconomic conditions that require diligent monitoring. To adapt to market dynamics, the Company has designed customized loan products aimed at expanding its market reach. Recognizing competition as a significant risk factor, its dedicated sales teams focus on reducing turnaround time and introducing a variety of innovative new products.

Regulatory Risk

The Company is fully compliant with regulations framed by regulatory bodies such as RBI, SEBI, NHB, and IRDAI, and strictly adheres to the Fair Practices Code and prevailing income recognition and asset classification norms. Its liquidity risk management policy is fully aligned with LCR norms and maintains an adequate portfolio of High-Quality Liquid Assets. Additionally, the Company adheres to Scale Based Regulations and satisfactorily meets all requirements applicable to a middle layer NBFC. Board periodically evaluates compliance risks in the company to ensure that such risks are adequately mitigated. It has also implemented an Internal Capital Adequacy Assessment Process (ICAAP) to identify all material risks. The ICAAP document covering stress scenarios confirms that the Company is adequately capitalized to absorb moderate to severe shocks.

Human Capital Risk

The Company places significant emphasis on human capital and has developed a range of courses and skill-enhancement programs to upgrade and refine their skills. Company's HR policies provides a well laid career path to its employees. Additionally, the Company implements a fair compensation policy that aligns with industry standards.



Reputation Risk

The Company has a Reputation Risk Management policy approved by the Board, which outlines specific tolerance thresholds for such risk incidents that are frequently evaluated by the Risk Management Committee. The reputation risks are also evaluated under the ICAAP documents to ensure that the company carried adequate capital commensurate with the risks, even in stressed scenarios.

External Risk

MAFIL acknowledges external risks stemming from various developments. In response to macroeconomic risks such as global uncertainties, inflationary concerns, and instances of bank failures in major economies, MAFIL has adjusted its credit and collection practices.

Human Resource

Human resource has always been the mainstay at Manappuram group, attracting the best available talent from the market, inbuilding new skills through continuous learning and developmental initiatives, enabling increase in productivity and profitability has empowered employees at Manappuram while moving onto a new trajectory in business excellence & growth. Enabling Career Growth coupled with higher skill sets promise the company with better performance and precision, fostering sustained & continuous high level performance at all times. Manappuram has focused its approach on employee development for upskilling each and every employee. Manappuram has a dedicated learning & development team led by Chief Learning Officer and an inhouse team building all training contents and its execution. Learned employees build a great team, Great Team build organizations excellence.

Internal Control

The Company has implemented a robust system of internal control, commensurate with the nature, size and complexities of its business. The system is designed to ensure operational excellence, by documenting every transaction detail, safeguarding assets, ensuring the accuracy and completeness of accounting records, preventing and detecting fraud and errors, and ensuring compliance with applicable laws and regulations. Furthermore, the Company employs a team of internal auditors to verify that all transactions are correctly authorized and reported. The Board's Audit Committee evaluates these reports and, if necessary, strengthens internal control systems and initiates corrective actions.

Cautionary Statement

The Management Discussion and Analysis may contain some statements describing the Company's views of the industry, objectives, projections, estimates or expectations, which may be 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from those either expressed or implied in the forward-looking statements depending on various risks and uncertainties. These risks and uncertainties include economic and political conditions in India, volatility in interest rates, changes in government regulations and policies, tax laws and other statutes and incidental factors that may impact the Company's business and its ability to implement the strategy. The Company undertakes no responsibility to publicly amend, modify or revise any forward-looking statements, whether as a result of any subsequent developments, new information, future events, or otherwise.

Business Responsibility and Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1	Corporate Identity Number (CIN) of the Listed Entity	L65910KL1992PLC006623
2	Name of the Listed Entity	Manappuram Finance Limited
3	Year of incorporation	1992
4	Registered office address	W-4/638A, Manappuram House, Valapad - 680567, Thrissur, Kerala
5	Corporate address	Corporate Office: W-4/638A, Manappuram House Valapad, Thrissur, Kerala - 680567 Landline: 0487 3050000, 3050108, 3050100 Corporate office Annexe: A-Wing, 3 rd Floor, Unit No 301 To 315 Kanakia Wall Street, Andheri Kurla Road, Andheri East, Mumbai, Maharashtra -400093 Landline: 022 68194000
6	E-mail	mail@manappuram.com
7	Telephone	04873050000
8	Website	www.manappuram.com
9	Financial year for which reporting is being done	2023-2024
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Limited
11	Paid-up Capital	₹ 169.29 Crores
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Manoj Kumar V R Company secretary & Compliance Officer Contact - 0487-3050408 Email - cs@manappuram.com
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 made on a standalone basis.
14	Name of assurance provider	Not Applicable
15	Type of assurance obtained	Not Applicable

II Products/services

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

S.No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Financial services	Manappuram Finance Limited is a retail financial services provider and engages in activities such as providing Loans against gold jewellery, Loans against property, Loans for purchase of commercial vehicles, Loans to MSMEs and other complementary lending activities.	97.71%

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

S.No.	Product/Service	NIC Code	% of total Turnover contributed
1	Financial services	64990	97.71%

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	0	3524	3524
International	0	0	0



19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	28
International (No. of Countries)	0

Note: Manappuram Finance Limited has offices in 22 States and 6 Union Territories across India.

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

0%

c. A brief on types of customers

Manappuram Finance Limited caters to the following types of customers:

- Individuals:** These type of customers include salaried employees, self-employed professionals, and individuals holding gold jewellery, seeking quick and convenient financing options for personal and family needs.
- Businesses and Corporates:** This segment comprises of small to medium-sized enterprises (SMEs), large corporate entities, service institutions in educational and healthcare sectors to meet their working capital and term loans
- Micro and Small-Scale Enterprises (MSME):** This group comprises micro and small enterprises for trading and manufacturing activities.

By understanding and categorising its customers into these segments, Manappuram Finance Limited can effectively tailor its financial products and services to meet the diverse needs of its customer base, fostering financial inclusion and supporting economic growth across various sectors.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No.(B)	%(B/A)	No. (C)	%(C/A)
EMPLOYEES						
1	Permanent (D)	22470	16149	71.87%	6321	28.13%
2	Other than Permanent (E)	7250	6730	92.83%	520	7.17%
3	Total employees (D + E)	29720	22879	76.98%	6841	23.02%
WORKERS						
4	Permanent (F)	0	0	0%	0	0%
5	Other than Permanent (G)	0	0	0%	0	0%
6	Total workers (F + G)	0	0	0%	0	0%

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)	0	0	0%	0	0%
2	Other than Permanent (E)	0	0	0%	0	0%
3	Total differently abled employees (D + E)	0	0	0%	0	0%
DIFFERENTLY ABLED WORKERS						
4	Permanent (F)	0	0	0%	0	0%
5	Other than Permanent (G)	0	0	0%	0	0%
6	Total differently abled workers (F + G)	0	0	0%	0	0%

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	13	3	23.08%
Key Management Personnel	4	2	50%

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

	FY- 2024 (Turnover rate in current FY)			FY- 2023 (Turnover rate in previous FY)			FY- 2022 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	35.95%	6.22%	42.17%	43.87%	7.40%	51.27%	32.26%	6.91%	39.17%
Permanent Workers	0%	0%	0%	0%	0%	0%	0%	0%	0%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23: Holding, Subsidiary and Associate Companies (including joint ventures)

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% 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	Manappuram Home Finance Limited	Subsidiary	100%	Yes
2	Asirvad Micro Finance Limited	Subsidiary	97.60%	Yes
3	Manappuram Insurance Brokers Limited	Subsidiary	100%	Yes
4	Manappuram Comptech and Consultants Limited	Subsidiary	99.81%	Yes

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) : Yes

(ii) Turnover (in ₹) : ₹ 5854.64 Crores

(iii) Net worth (in ₹) : ₹ 10349.26 Crores

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 web-link for grievance redress policy)	FY- 2024 Current Financial Year			FY- 2023 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0		0	0	
Investors (other than shareholders)	Yes	0	0		39	0	
Shareholders	Yes	0	0		0	0	
Employees and workers	Yes	2375	56	Pending cases resolved in April month 2024	2113	223	Pending cases resolved in April month 2023
Customers	Yes	8047	55	Pending cases resolved in April month 2024	6082	141	Pending cases resolved in April month 2023
Value Chain Partners	Yes	0	0		0	0	
Other (please specify)	No	0	0		0	0	



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 identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Employee Wellbeing	Opportunity	<p>Manappuram Finance Limited has an excellent onboarding and training system for Freshers.</p> <p>All employees have access to relevant learning and development opportunities. The Company has a robust e-learning platform, MADU which is supplemented with other online and offline interventions. The learning needs are identified by the employees themselves and supported by Senior management and Departmental Heads and classified under functional, behavioural and organizational needs.</p> <p>The aspiring employees are provided opportunities to enrol for higher education in premier institutions in India and abroad.</p> <p>Yoga sessions are provided for employees for stress management and wellness.</p> <p>The firm ensures overall well-being and productivity of employees</p>	<p>By offering relevant learning and development opportunities, the Manappuram Finance Limited ensures that employees have access to training programs that enhance their skills and knowledge, bridging any existing gaps.</p> <p>The firm nurtures a pool of talented individuals who can contribute to the Company's long-term success.</p> <p>These initiatives create a positive work environment that supports employee well-being and in turn, enhances their productivity and job satisfaction.</p>	Positive
2	Customer Support and Satisfaction	Risk	<p>In the Non-Banking Financial Company (NBFC) sector consumer satisfaction is essential.</p> <p>An unsatisfactory consumer experience may pose a risk to business continuity, while a positive customer experience can enhance profit and brand reputation</p>	<p>Manappuram Finance Limited imparts training to its employees to enable them to understand customer requirements and extend quality service at all times.</p> <p>The firm's Customer Grievance Redressal Policy underlines an unbiased, fair and equal treatment to all customers ensuring quick Turnaround time (TAT) for customer grievance redressal. Customers are made aware of alternative remedial channels if they are not satisfied and an Internal Ombudsman is available for this purpose. These efforts enable customers to make informed choices regarding firm's products and reduce errors in financial transactions.</p> <p>Through the Fair Practice Code, the Company provides comprehensive information relating to fees, charges, refunds, processing timelines, application status, loan processes, auction process and communication of approval and rejection of loan applications.</p> <p>Auction Policy and Interest Rate policy provides information pertaining to auction process in case of default in loan repayment and interest rates for the loan products. The Company provides transparent information of all its products through its website: www.manappuram.com with details such as product features, service charges, applicable fees, interest rates, deposit schemes etc. Manappuram Finance also offers online tools and mobile applications for customers to understand eligibility criteria to avail its products and services with transparency.</p>	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Financial Inclusion	Opportunity	Financial inclusion helps NBFCs in India reach untapped markets, increase customer base, and promote financial literacy and stability. Besides meeting the social objectives, it also helps bridge the earnings gap, improve living standards, and increase access to credit, which can drive economic growth and development.	The firm's repossession practices and auction processes are transparent and the customers are guided in advance before initiating recovery measures. Manappuram Finance provides financial services to urban, semi-urban and rural areas of India and has adopted a strategically different service approach for catering to people in these areas with inclusivity in mind. The main goal is to penetrate the unbanked areas as well as each and every household simultaneously addressing financial inclusion.	Positive
4	Responsible Financing	Opportunity	Responsible financing is important for NBFCs in India because it promotes financial stability, protects the interests of borrowers, and enhances the reputation of the Company and the system. It also helps to maintain trust and confidence in the financial system, reducing the risk of defaults and ensuring sustainable growth for the NBFC. Additionally, responsible financing helps attract more investment and support the overall economic development of the country	The firm's risk mitigation approach for responsible financing focuses on thorough due diligence on borrowers and the collaterals, adhering to regulatory guidelines, maintaining strong internal controls, implementing risk assessment models, promoting financial literacy, and fostering transparency and accountability in all financial transactions. The overall Business Responsibility performance is reviewed annually by the Management and the Board. Access to the various policies which are relevant to the principles are available on https://www.manappuram.com/policies-codes.html Business Responsibility Policy • Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information • Cross selling policy • Investment Policy Auction Policy • Policy for Determination of Materiality and Disclosure of Material Events/Information • Policy on Materiality of Related Party and Manner of Dealing With Related Party Transactions • Loan Policy • Interest rate Policy • Whistle blower Policy • Corporate Social Responsibility Policy • Know Your Customer (KYC) and Anti Money Laundering Measures Policy • Fair Practice Code • Mechanism for Dealing with Customer Complaints & Redressal • Internal Audit Policy • Dividend Distribution Policy • Gift Policy Employee Speak up Policy • HR Policy • POSH policy • Policy on transfer of Unclaimed Amount of NCDs to GOI or IEPF	Positive
5	Customer over indebtedness	Opportunity	Manappuram Finance Limited's non-gold verticals assess the family income and indebtedness before sanctioning loans to the borrowers. This helps them to avoid entering into debt traps and dependence on informal lending market.	The Manappuram Finance Limited has established strict loan eligibility criteria that take into account factors such as income, existing debts, and creditworthiness. The firm adheres to responsible lending practices, which involve conducting thorough assessments of borrowers' financial situations and providing them with appropriate loan amounts based on their repayment capacity. The firm has implemented robust monitoring systems to track borrowers' repayment behaviour and identify early warning signs of potential over-indebtedness. The firm has also invested in financial literacy programs to educate customers about responsible financial management, debt management, and budgeting.	Positive



S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6	Diversity and Inclusion	Opportunity	A Company's high diversity and inclusion rate reflects employees' sense of belonging and fairness within the Company. Improving diversity and inclusion helps companies to support vulnerable groups resulting in community brand image creation and goodwill. Manappuram Finance Limited also provides fair representation to women employees in the workforce and have policies to cater to their needs. Career advancement prospects for women employees are at par with their male counterparts.	Manappuram Finance Limited has policies in place that cater to the needs of women employees, ensuring fair representation and equal opportunities for career advancement. The firm provides diversity training and education programs to its employees. The firm ensures that performance evaluation and promotion processes are transparent and free from biases. The firm has also established mechanisms to track and report on diversity and inclusion metrics regularly.	Positive
7	Corporate Governance	Risk	Businesses are assessed based on their performance across all key governance issues which include ownership & control, Board pay, accounting, business ethics, and tax transparency. Corporate governance also examines the effect of the company's governance, conduct and business ethics practices on its stakeholders	The firm's mitigation approach for corporate governance involves implementing robust internal controls, conducting regular audits, ensuring compliance with regulatory requirements, fostering a culture of transparency and accountability, and prioritising strong risk management practices to safeguard stakeholder interest. The firm governs itself with integrity. The policies relating to ethics, bribery and corruption cover not only the firm, but also extends to subsidiaries, Vendors, Consultants, Suppliers and other external stakeholders. The firm is committed to timely disclosures and transparency at all levels so as to provide relevant information about its businesses to all stakeholders. The Corporate Governance practices apply across various businesses of Manappuram Finance including Board Governance. The Board oversees the service of the Management towards protection of stakeholders' interest in the long run. The firm respects the interests of, and are responsive towards all stakeholders, especially the disadvantaged, vulnerable and marginalized.	Negative
8	Business Ethics	Risk	The key business ethics issues in business and work place involve discrimination, harassment, unethical accounting practices, neglect of work place safety requirements, abuse of authority, executive misconduct and corrupt practices. Unethical practices will lead to diverse impacts for the Company, including reputational risk impact.	Manappuram Finance Limited ensures ethical practices by implementing a comprehensive risk mitigation approach. The firm conducts regular training sessions to promote ethical behaviour among employees, enforce strict compliance measures, establish strong internal controls, and conduct thorough client due diligence. This ensures protection of firm's reputation and trust of the stakeholders. Manappuram Finance accords utmost importance to ethical, transparent and accountable conduct by its employees and stakeholders.	Negative
9	Regulatory Compliance	Risk	Regulatory compliance is of crucial importance as it ensures the firm operates within the legal and ethical boundaries set by Government agencies and comply with industry standards. Failure to comply with these regulations can result in significant financial and reputational consequences for the Company-- , including fines, legal action, and damage to their brand and customer trust	The firm ensures adherence to all applicable laws and regulations, maintains accurate documentation, conducts regular internal audits, provides training to employees, and engages with regulatory authorities to stay updated on evolving requirements. The Compliance function of Manappuram Finance Limited ensures compliance with regulatory and statutory requirements at all appropriate levels. It also updates the Board and Management on the status of compliances in the changing regulatory environment.	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
10	Fraud Risk Management	Risk	As an NBFC, the management of fraud risk is of paramount importance. Fraud can cause significant financial losses and damage the reputation of the Company, leading to loss of customer trust and confidence	Manappuram Finance Limited implements a robust risk mitigation approach for fraud management. The firm conducts regular internal audits, establishes strong internal controls, employs fraud detection tools, promotes ethical behaviour, and provides ongoing training to all employees. The firm works closely with business lines to strengthen current practices across the five pillars of prevention, detection, response, remediation and reporting. By prioritizing proactive measures, the firm ensures the safety and trust of stakeholders.	Negative
11	Innovation	Opportunity	Digital and business innovation is crucial for NBFCs as it enables them to increase efficiency, reduce costs and time, enhance customer experience, and expand the reach to a wider audience. Adopting digital technologies can also help NBFCs stay competitive and meet changing customer demands in a fast-paced, technology-driven financial services industry.	The Company realises that financial intermediation is increasingly becoming digital led and the Company has been constantly reviewing its IT strategy with emphasis on channels of delivery, operational efficiency, customer convenience and information security related issues	Positive
12	Initiatives on clean technology, energy efficiency, renewable energy, etc	Risk	Manappuram Finance Limited recognizes the potential risks associated with its operations' environmental impact. Factors such as energy consumption, carbon emissions, and waste generation can expose the Company to regulatory compliance issues and reputational risks. By identifying this risk, the firm can proactively adopt clean technology and energy-efficient practices to mitigate its environmental footprint and comply with evolving environmental regulations.	Manappuram Finance Limited has undertaken various initiatives on energy efficiency and renewable energy. The firm is an environment friendly organisation constantly working towards developing solutions to minimise its impact on the environment. The firm encourages shareholders to opt for electronic copies of the Annual Report through its Green Initiative program. A Paperless office project has been initiated to ensure minimum usage of paper at the office. Several measures are undertaken to minimise the environmental impact due to business travel, such as video/ audio conferencing facilities at Regional offices and all major Branch offices. The firm uses low noise and low emission diesel generator sets at its Regional offices and Head office. The Firm seeks to reduce its environmental and carbon footprint by continuously exploring opportunities to enhance energy efficiency through measures such as monitoring energy consumption, use of energy efficient equipment etc. The firm minimises the usage of lightings, air-conditioning systems and other infrastructure services in branches and the Corporate office to inculcate an atmosphere of energy efficiency.	Negative



S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
13	Environmental factors : Climate change	Risk	Extreme weather events arising due to climate change could pose disruption to the Company's operations, and the safety of its employees. Also, transition risks can create economic disruptions which can impact the Company's growth and profitability.	Manappuram Finance Limited runs scenario analysis in case of materialisation of risks arising out of climate change in units like agriculture, commercial vehicle finance and microfinance while ascertaining required capital to cushion unforeseen shocks and maintain adequate capitalisation.	Negative
14	Risk Management and Internal controls	Opportunity	Risk tolerance parameters and Risk management policies are in place. Strong security measures for safekeeping of customer gold. Frequent audit checks based on the branch risk categorisation.	The Company is mindful of various risks it faces in respect of its operations. All the diverse risks are reviewed periodically to assess the performance of the mitigants in place and to address deficiency if any.	Positive
15	Transition to low carbon economy	Risk	Changes in government policies, technological developments and change in consumer preferences are monitored closely. Incentives or disincentives for various sectors provided by the government are watched, for instance the phasing out of FAME subsidy can adversely impact two wheeler financiers as the delinquencies might increase in the electric 2-Wheeler space.	The Company is aware of the global initiatives on transition to low carbon / carbon neutrality in all activities. The Company has started evaluating carbon impact of its operations and has focus on transitioning to low carbon status. The Company has already started financing electric vehicles that reduce carbon emissions.	Negative

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.

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				
b. Has the policy been approved by the Board? (Yes/No)					Yes				
c. Web Link of the Policies, if available				https://www.manappuram.com/policies-codes					
2. Whether the entity has translated the policy into procedures. (Yes / No)					Yes				
3. Do the enlisted policies extend to your value chain partners? (Yes/No)					No				
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.					Not Applicable				
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	<p>In line with our unwavering commitment to sustainability, Manappuram Finance Limited has made significant progress in reducing our environmental and social impact. We have implemented solar electrification in our offices, advanced our transition to an electric vehicle fleet, and enhanced our sewage treatment.</p> <p>Socially, we have strengthened our skill development programs, community development efforts, quality education initiatives, and healthcare services through MACare, ambulance services, and financial support to healthcare institutions. These commitments are crucial for a sustainable future and delivering long-term value to our stakeholders.</p> <p>We remain dedicated to improving our ESG practices and will continue to update on our progress.</p>								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	<p>This year, Manappuram Finance Limited has achieved significant milestones towards our specific commitments and targets. We are pleased to report an 18.65% increase in solar electricity production compared to FY 2022-23, underscoring our commitment to expand renewable energy usage.</p> <p>Additionally, our adoption of electric vehicles (EVs) has resulted in a reduction of 1923 KgCO₂e emissions during the year. These accomplishments highlight our proactive approach towards sustainability and reducing our carbon footprint. While we have made substantial progress in these areas, we continue to explore opportunities for further enhancement and efficiency in achieving our environmental goals.</p>								
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	<p>As the Director responsible for Business Responsibility and Sustainability at Manappuram Finance Limited, I am pleased to reaffirm our unwavering commitment to sustainable banking practices, which generate positive social impacts. Sustainability is integral to our operations and long-term success. Since FY23, we have diligently published details of our ESG Responsibility and Sustainability Reporting in compliance with SEBI guidelines, showcasing our transparency and dedication.</p>								



Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	<p>This year, we continued to drive significant climate initiatives, including the expansion of rainwater harvesting systems, the adoption of electric vehicles, and the installation of solar panels at our offices. These efforts underscore our commitment to reducing our environmental footprint and promoting sustainable resource management.</p> <p>On the social front, our initiatives have made a substantial difference in the communities we serve. We have enhanced skill upgradation programs for our employees, supported community development projects, and provided quality education through innovative approaches. Our MAcare initiative has made advanced and affordable healthcare accessible, complemented by our ambulance service and financial support to healthcare institutions.</p> <p>At Manappuram Finance, we are dedicated to continuously improving our ESG practices, reducing our environmental impact, and aiding community development. These efforts are vital for creating a sustainable future and delivering long-term value to our stakeholders.</p>								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	<p>The highest authority responsible for the implementation and oversight of the Business Responsibility policies at Manappuram Finance Limited is the Corporate Social Responsibility (CSR) Committee of the Board. This committee is entrusted with ensuring that the company's business responsibility initiatives align with its overarching goals and regulatory requirements. The CSR Committee oversees the formulation, execution, and monitoring of policies related to corporate social responsibility and sustainability, ensuring that these initiatives are integrated into the company's operations and corporate culture effectively.</p>								
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.	<p>Yes, The Corporate Social Responsibility (CSR) Committee is designated to oversee and guide the company's sustainability and CSR initiatives.</p>								

10: Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Management and the Board									Quarterly								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Management and the Board									Quarterly								

	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 name of the agency.									No

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 categorized 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	% age of persons in respective category covered by the awareness programmes
Board of Directors	1	The board of directors receives training on ESG and the principles and disclosure requirements for the Business Responsibility and Sustainability Report.	100%
Key Managerial Personnel	35	<ul style="list-style-type: none"> • Training on BRSR Requirements and Company’s Preparedness towards BRSR Reporting • Awareness Against Proxy Punching • Business Continuity Management Policy • Principle 1 <ol style="list-style-type: none"> 1. Code of Ethics 2. Information Security Management System (ISMS) 3. Insider Policy 4. Whistle Blower Reward Policy 5. Process Audit Controls-H.O-Audit • Principle 3 <ol style="list-style-type: none"> 1. Employee Grievance Cell 2. Employee Personal Details Updation 3. Disciplinary Action for Unauthorized Leave or Absence 4. E-learning Course in MADU Non-Completion 5. Staff Welfare • Principle 4 <ol style="list-style-type: none"> 1. Unveiling Growth and Resilience • Principle 5 <ol style="list-style-type: none"> 1. POSH (Prevention of Sexual Harassment) Policy • Principle 6 <ol style="list-style-type: none"> 1. ESG Policy • Principle 9 <ol style="list-style-type: none"> 1. Customer Confidentiality 2. Customer Due Diligence 3. Fair Practice Code (FPC) 4. Introduction to KYC AML Policy 5. KYC Policy 6. AML, CFT and Anti-Fraud Compliance Training Programme 	100%



Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Employees other than BoD and KMPs	1210	<ul style="list-style-type: none"> • Information Security Management System (ISMS) • Business Continuity Management Policy • Introduction Loan Policy • Principle 1 <ol style="list-style-type: none"> 1. Code of Ethics 2. Whistle Blower Reward Policy 3. Insider Policy 4. Gift Policy 5. Legal Policy 6. AML, CFT, and Anti-Fraud Compliance Training Programme 7. Disciplinary Action for Unauthorized Leave or Absence 8. Employee Speakup Policy • Principle 3: <ol style="list-style-type: none"> 1. Employee Grievance Cell 2. Staff Welfare Module • Principle 5 <ol style="list-style-type: none"> 1. POSH (Prevention of Sexual Harassment) Policy • Principle 6 <ol style="list-style-type: none"> 1. ESG Policy • Principle 8 <ol style="list-style-type: none"> 1. CSR Policy • Principle 9 <ol style="list-style-type: none"> 1. Customer Confidentiality 2. Customer Due Diligence 3. Monitoring of Transactions 4. Fair Practice Code (FPC) 5. Customer Handling Skills 6. Customer Service 7. KYC Policy 8. NPA Customer Verification 9. Non-Clearance of CRM Complaints 	97.48%
Workers		Not Applicable	

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) 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 INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)	
Penalty/ Fine	Principle 1 RBI	₹ 20,00,000/-	RBI by an Order dated June 12, 2023 received on June 16, 2023, imposed a monetary penalty of ₹20.00 lakh (Rupees Twenty lakh only) for the non-compliance of provisions of the "Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016". The non-compliance with the aforesaid directions to the extent (i) it did not classify certain gold loan accounts with overdue of more than 90 days as Non-Performing Assets (NPAs), and (ii) it did not ensure maintenance of the mandated Loan-to-Value (LTV) ratio in certain gold loan accounts during FY 2020-21	No.	
	Principle 9 RBI	₹42,78,000/-	In connection with the observations made during the Inspection conducted by the RBI for the Financial year ended March 2022, an SCN was issued vide letter CO. ENFD. DENBFC. No.S245/02-1 4- 006/2023-24 dt July 17,2023. RBI that the Company did not pay the auction surplus amounts to ₹ 10.79 Cr which pertains to 56,854 borrowers whose gold ornaments were auctioned during the period between April 01 2021 and September 30, 2022. Out of the above, 42780 gold loan accounts which were opened/repledged after the date of issuance of Speaking Order dt. November 19, 2020, auction surplus is pending to refund where the time period to refund the surplus is 43 days from the date of completion of auction and for the auction conducted during the April 01,2021 and September 30,2022, ₹ 8.46 Cr was pending to be repaid to the borrowers as on September 30,2022. RBI by an Order dated November 16, 2023 imposed a monetary penalty of ₹ 42.78 Lakhs (Rupees Fourty Two Lakhs Seventy Eight Thousand Only) for the above said SCN.	No.	
Settlement	-	-	-	-	
Compounding fee	-	-	-	-	

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



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.

Not applicable. There were no cases of appeal or revision in the financial year.

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, Manappuram Finance Limited has a comprehensive anti-corruption and anti-bribery policy in place. The key elements of our policy framework are as follows:

- Code of Conduct to Regulate, Monitor, and Report Trading by Designated Persons in Securities of Manappuram Finance Limited:** This code, in compliance with Regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015, is designed to prevent insider trading, ensuring adherence to securities laws and preserving the company's reputation and integrity. It aims to maintain the confidentiality of Unpublished Price Sensitive Information (UPSI) and prevent its misuse, prohibiting designated persons and their immediate relatives from trading in the company's securities while in possession of UPSI.
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information:** As per Regulation 8(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015, this code ensures the universal and not selective dissemination of UPSI. It outlines the principles, procedures, and practices for uniform and fair disclosure of UPSI by the company.
- Fair Practice Code (FPC):** Formulated in response to guidelines issued by the Reserve Bank of India, this code outlines fair practices for non-banking financial companies. It has been updated to comply with the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, issued on October 19, 2023.

For further details, please refer to our policies on our official website - <https://www.manappuram.com/policies-codes>.

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

There was no instance where disciplinary action was taken by any law enforcement agency for charges of bribery or corruption against directors and KMPs.

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

There was no complaints regarding conflict of interest against directors and KMPs.

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.

There was no instance where disciplinary action was taken by any law enforcement agency for charges of bribery or corruption against directors and KMPs. Additionally, there was no complaints regarding conflicts of interest against directors and KMPs.

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:

a) Concentration of Purchases

	FY-2024 (Current Financial Year)	FY-2023 (Previous Financial Year)
Purchases from trading houses as % of total purchases	NIL	NIL
Number of trading houses where purchases are made from	NIL	NIL
Purchases from top 10 trading houses as % of total purchases from trading houses	NIL	NIL

b) Concentration of Sales

	FY-2024 (Current Financial Year)	FY-2023 (Previous Financial Year)
Sales to dealers/ distributors as % of total sales	NIL	NIL
Number of dealers/ distributors to whom sales are made	NIL	NIL
Sales to top 10 dealers/ distributors as % of total sales to dealers/ distributors	NIL	NIL

c) Share of RPTs in

	FY-2024 (Current Financial Year)	FY-2023 (Previous Financial Year)
Purchases (Purchases with related parties / Total Purchases)	0.03%	0.05%
Sales (Sales to related parties / Total Sales)	0.10%	0.16%
Loans & advances (Loans & advances given to related parties/ Total loans & advances)	0.58%	0.65%
Investments (Investments in related parties / Total Investments made)	17.63%	78.89%

Note: Manappuram Finance Limited, as a finance company, recognises that its turnover primarily comprises interest income, while its purchases relate to interest payments to lenders.

Leadership Indicators

- Awareness programmes conducted for value chain partners on any of the Principles during the financial year:
 During the financial year, Manappuram Finance Limited did not conduct any specific awareness programmes for our value chain partners on any of the Principles. However, we remain committed to promoting sustainability practices throughout our operations and continually assess opportunities to engage and collaborate with our partners in driving sustainable development. We recognize the importance of fostering awareness and knowledge among our value chain partners, and will explore initiatives to further integrate sustainability principles into our collaborative efforts moving forward.
- 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, Manappuram Finance Limited maintains robust processes to prevent and manage conflicts of interest involving Board members.
 - Policy on Related Party Transactions:** To mitigate potential conflicts, we have implemented a comprehensive Policy on Related Party Transactions. This policy establishes guidelines and procedures for identifying, evaluating, and managing transactions involving related parties, including Board members. It ensures that such transactions are conducted at arm's length and in the best interests of the company and its stakeholders.
 - Code of Conduct to Regulate, Monitor, and Report Trading by Designated Persons in Securities of Manappuram Finance Limited:** In compliance with Regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015, our Code of Conduct regulates, monitors, and reports trading by designated persons in Manappuram Finance Limited's securities. It aims to prevent insider trading, uphold securities laws, and safeguard the company's reputation and integrity. The code strictly prohibits designated persons and their immediate relatives from trading in the company's securities while in possession of Unpublished Price Sensitive Information (UPSI).
 - Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information:** As per Regulation 8(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015, our Fair Disclosure Code ensures the equitable and non-selective dissemination of UPSI. It outlines principles, procedures, and practices for the uniform and fair disclosure of UPSI by the company.
 - Fair Practice Code (FPC):** Developed in accordance with guidelines from the Reserve Bank of India, our Fair Practice Code sets out ethical standards for non-banking financial companies. It has been updated to comply with the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, issued on October 19, 2023.



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 product and processes to total R&D and capex investments made by the entity, respectively.
Not Applicable
2. a. Does the entity have procedures in place for sustainable sourcing?
No.
b. If yes, what percentage of inputs were sourced sustainably?
Not Applicable
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.
Not Applicable
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
No

Leadership Indicators

1. Has the company conducted Life Cycle Assessments (LCA) for any or all of its top 3 brands/ products manufactured?
Not Applicable. Manappuram Finance Limited, being primarily engaged in the financial services sector, has not conducted Life Cycle Perspective Assessments (LCA) for its products or services. The nature of our business does not involve manufacturing products or offering services that typically undergo LCA evaluations. As a non-manufacturing financial services company, our primary focus is on providing a range of financial solutions and services to our customers. Our operations mainly involve financial transactions, risk assessment, and customer service in the domain of gold loans, microfinance, and other related financial products.
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.
We have not Conducted LCA for our services.
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).
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:
Not Applicable.
5. Reclaimed products and their packaging materials (as percentage of products sold) for each product 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	% 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	16149	7633	47.26%	11137	68.96%	0	0%	0	0%	0	0%
Female	6321	2697	42.66%	4391	69.46%	382	6.04%	0	0%	0	0%
Total	22470	10330	45.97%	15534	69.13%	382	1.70%	0	0%	0	0%
Other than Permanent employees											
Male	6730	392	5.82%	405	6.01%	0	0%	0	0%	0	0%
Female	520	72	13.84%	72	13.84%	0	0%	0	0%	0	0%
Total	7250	464	6.40%	477	6.57%	0	0%	0	0%	0	0%

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

Not Applicable.

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

	FY-2024 (Current Financial Year)	FY-2023 (Previous Financial Year)
Cost incurred on wellbeing measures as a % of total revenue of the company	1.98%	2.38%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY-2024 Current Financial Year			FY-2023 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 the 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 the authority (Y/N/N.A.)
PF	99.68%	0%	Yes	99.69%	0%	Yes
Gratuity	24.45%	0%	Yes	23.02%	0%	Yes
ESI	64.56%	0%	Yes	68.68%	0%	Yes

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.

No, Manappuram Finance Limited acknowledges that its premises/offices are not currently fully accessible to differently abled employees and workers in accordance with the requirements of the Rights of Persons with Disabilities Act, 2016.

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

No

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

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	0%	0%	0%	0%
Female	89.31%	89.32%	0%	0%
Total	89.31%	89.32%	0%	0%



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	Not Applicable
Other than Permanent Workers	Not Applicable
Permanent Employees	Yes
Other than Permanent Employees	Yes

Note: Manappuram Finance Limited is committed to maintaining a fair and secure workplace environment for all employees and workers. We have implemented a comprehensive Redressal of Employee Grievance Policy to provide a structured mechanism for employees to voice their concerns. This policy ensures transparency in managing and addressing grievances internally. A grievance under this policy encompasses any issue, concern, problem, or claim—whether perceived or actual—that an employee wishes to formally bring to management's attention for resolution. Our approach aims to foster a supportive work environment where grievances are handled promptly and fairly, reinforcing our commitment to employee welfare and organizational excellence.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:
Manappuram Finance Limited does not recognise any employee unions or associations. None of our employees are part of any employee union or association.

8. Details of training given to employees and workers:

Category	FY-2024 Current Financial Year					FY-2023 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	22879	22152	96.82%	22152	96.82%	22854	22727	99.44%	22727	99.44%
Female	6841	6819	99.68%	6819	99.68%	7860	7843	99.78%	7843	99.78%
Total	29720	28971	97.48%	28971	97.48%	30714	30570	99.53%	30570	99.53%
Workers										
Male	0	0	0%	0	0%	0	0	0%	0	0%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Total	0	0	0%	0	0%	0	0	0%	0	0%

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

Category	FY-2024 Current Financial Year			FY-2023 Previous Financial Year		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	22879	9166	40.06%	22854	11040	48.31%
Female	6841	1133	16.56%	7860	1482	18.85%
Total	29720	10299	34.65%	30714	12522	40.77%
Workers						
Male	0	0	0%	0	0	0%
Female	0	0	0%	0	0	0%
Total	0	0	0%	0	0	0%

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 such system?

No. While the nature of our business does not involve inherent occupational health and safety hazards, we are committed to prioritizing the well-being of our employees. We strictly comply with applicable laws and regulations related to workplace safety and have implemented specific measures to address health and safety concerns. Our initiatives include:

- Fire and Safety Drills:** We conduct regular fire and safety drills to ensure preparedness and awareness among employees in case of emergencies.

2. **Workplace Hygiene and Sanitation:** We prioritize proper ventilation, branch hygiene, and sanitation practices to maintain a clean and healthy work environment.
3. **Communication and Awareness:** We maintain regular internal communication channels to provide alerts, updates, and reminders to employees regarding health and safety practices. We also conduct awareness sessions to educate employees on various health and safety aspects, such as the importance of wearing helmets, maintaining a healthy lifestyle, staying hydrated, and encouraging physical activity.

Manappuram Finance Limited is committed to fostering a safe and healthy work environment.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?
Not Applicable.
 - c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)
Not Applicable.
 - d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)
Yes.
11. Details of safety related incidents, in the following format:
Not Applicable.
12. Describe the measures taken by the entity to ensure a safe and healthy work place.
Manappuram Finance Limited takes several measures to ensure a safe and healthy workplace for its employees. For detailed information, please refer to our response to Principle 3, Essential Disclosure 10a, where we provide comprehensive details about our efforts in promoting a safe and healthy work environment
13. Number of Complaints on the following made by employees and workers:

	FY-2024 Current Financial Year			FY-2023 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	13	1	One complaint settled on April 9, 2024	18	0	All complaints settled within the FY
Health & Safety	0	0	Nil	0	0	Nil

14. Assessments for the year:

% of your plants and offices that were assessed (by entity or statutory authorities or third parties)	
Working Conditions	100%
Health & Safety Practices	100%

Note: At Manappuram Finance Limited, we are dedicated to maintaining health, safety, and working conditions across our plants and offices. This year, we conducted comprehensive assessments focusing on various aspects critical to ensuring a secure and comfortable environment for both employees and customers. Our security and branch ambiance checklist includes detailed evaluations of the branch interior, customer service area, and scrap management. We inspect the condition of floor tiles to ensure they are free from damage and potential hazards, and we assess the painting status to maintain a professional and well-kept appearance of our branches. In the customer service area, we ensure the availability of sufficient chairs for customers, providing them with comfort while they wait for service. We also check the availability and functionality of fans to guarantee a comfortable environment, especially in regions with higher temperatures. Regular checks are conducted on washroom facilities to maintain cleanliness and hygiene, ensuring they are well-stocked with necessary supplies and functioning properly. These thorough assessments reflect our commitment to creating and maintaining a safe, comfortable, and efficient working environment, highlighting our dedication to the well-being of our employees and the satisfaction of our customers.



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.

No major corrective actions were necessitated during the year. We conduct periodic assessments based on our security and branch ambience checklist to identify and address any concerns proactively. Each branch is responsible for ensuring compliance with the checklist and maintaining the quality standards outlined. These assessments help us continually improve our health and safety practices, ensuring a safe and secure working environment for our employees and customers.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes. In the event of death, employees are entitled to the following compensatory packages:

1. Gratuity
2. Provident Fund Settlement
3. Employee Deposit Linked Insurance (EDLI)
4. Group Insurance
5. Group Personal Accident (GPA) Insurance for accident cases

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

Manappuram Finance Limited takes the issue of statutory dues seriously and has implemented comprehensive measures to ensure compliance among our value chain partners. Central to these measures is our robust vendor onboarding process. During onboarding, we meticulously evaluate new vendors against stringent criteria that include their track record of adhering to statutory obligations. This rigorous screening process ensures that only those vendors who demonstrate a strong commitment to compliance are integrated into our supply chain.

Through this robust onboarding process, we aim to foster a culture of transparency, accountability, and adherence to legal requirements across our value chain. By aligning with partners who share our commitment to statutory compliance, we not only mitigate risks but also promote a sustainable and responsible business ecosystem. This strategic approach underpins our dedication to maintaining high standards of operational integrity and supports the long-term success and stability of our business.

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:

Not Applicable.

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

No, Manappuram Finance Limited does not provide specific transition assistance programs for facilitating continued employability or managing career endings resulting from retirement or termination. However, we ensure that all retiring employees receive their due benefits, including Employee Provident Fund (EPF) and gratuity, which support them financially post-retirement.

5. Details on assessment of value chain partners:

Manappuram Finance Limited did not conduct assessments of our value chain partners during the reporting period.

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 its stakeholders

Essential Indicators

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

At Manappuram Finance Limited, we have a comprehensive process in place to identify key stakeholder groups. We recognise the critical role that stakeholders play in the success of our projects. Our approach begins with a meticulous analysis of our operations, allowing us to identify the vital stakeholders involved. These stakeholders include Shareholders & Investors, Employees, Customers, Business partners, Suppliers, Local Communities, Government and Regulators. Furthermore, we extend our considerations to the impact our projects have on the local communities in which we operate. We value these communities as crucial stakeholders in our communication efforts. By understanding the needs and concerns of our stakeholders, we actively address their expectations, mitigate potential risks, and foster enduring relationships that are essential to our overall prosperity. Importantly, our stakeholder identification process is an ongoing endeavour. We continuously strive to remain informed, engaged, and responsive to the ever-evolving needs of our stakeholders. This commitment allows us to effectively manage our relationships, promote sustainable practices, and drive long-term value for all stakeholders involved.

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

Stakeholder Group	Whether identified as Vulnerable & Marginalized 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
Shareholders and Investors	No	Email, Newspaper, Website, SMS, Post	Quarterly	- Update of the company - Call for meeting
Employees	No	Email, Website, SMS.	As Required	- Update of company - Work update
Customers	No	Email, Website, SMS, Newspaper, Post	As Required	- To share new loan scheme - Interest rate changes - To intimate due date for payment, auction related and other statutory intimations
Business partners	No	Email, Website	As Required	- Update of the company
Suppliers	No	Email	As Required	- Update of the company - Official communication like Purchase order, payment confirmation, Collecting quotation etc
Local Communities	Yes	Website, Social Media Post	As Required	- Educate local communities on the initiatives and benefits. - Collect feedback from community leaders and members. - Address grievances raised by local communities.
Government and Regulators	No	Email, Post	As Required	- Update compliance - Take regulatory approvals and regulatory intimations

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.

At Manappuram Finance Limited, we value the input and perspectives of our stakeholders on economic, environmental, and social topics. We have established effective processes for consultation between stakeholders and the Board to ensure their feedback is considered in our decision-making. We engage in consultations through various channels such as meetings, surveys, feedback mechanisms, and stakeholder forums. These platforms allow stakeholders to express their views, raise concerns, and provide suggestions. To facilitate the flow of information, we have established a structured reporting mechanism. This includes regular reporting on stakeholder engagement activities, key issues raised, and actions taken in response to stakeholder feedback. This reporting enables the Board to assess the impact of our operations, identify areas for improvement, and make informed decisions. We believe that ongoing consultation with our stakeholders is crucial for building trust, fostering collaboration, and



achieving sustainable outcomes. By actively involving stakeholders in our decision-making processes, we aim to ensure that their interests and concerns are adequately addressed and that our actions align with their expectations.

- Whether stakeholder consultation is used to support the 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.

No

- Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups

At Manappuram Finance Limited, we are dedicated to engaging with and addressing the concerns of vulnerable and marginalized stakeholder groups, recognizing the importance of understanding their unique needs and striving to make a positive impact on their lives. Our activities include:

- Conducted Surveys:** We engaged directly with local communities to understand their specific requirements and challenges.
- Collaboration with Local Representatives:** We worked with local representatives, community leaders, and relevant organizations to gain a deeper understanding of the concerns faced by these groups.
- Feedback Surveys:** We conducted feedback surveys to evaluate the effectiveness of our programs and initiatives targeting these groups.
- Educational Support:** We provided scholarships and educational materials to children from marginalized communities, enabling them to pursue their studies without financial burden.
- Healthcare Initiatives:** We organized health camps and provided free medical check-ups and treatments, ensuring access to essential healthcare services.
- Skill Development Programs:** We conducted vocational training and skill development workshops to enhance employability and income-generation opportunities.
- Infrastructure Development:** We improved local infrastructure, such as building community centers and sanitation facilities, to enhance living conditions.
- Emergency Relief Efforts:** We provided immediate relief and rehabilitation support during natural disasters and crises, ensuring timely assistance.
- Women Empowerment:** We launched initiatives focused on empowering women through self-help groups, micro-financing, and entrepreneurship programs.
- Livelihood Support:** We provided tools, resources, and financial assistance to support small-scale businesses and agricultural activities, helping individuals sustain their livelihoods.

Manappuram Finance Limited remains committed to fostering inclusive growth and social development, continually striving to address the concerns of vulnerable and marginalized stakeholder groups and contributing to their upliftment for a more inclusive and equitable society.

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

- Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY-2024 Current Financial Year			FY-2023 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	22879	22152	96.82%	22854	22727	99.44%
Other than Permanent	6841	6819	99.68%	7860	7843	99.78%
Total Employees	29720	28971	97.48%	30714	30570	99.53%
Workers						
Permanent	0	0	0%	0	0	0%
Other than Permanent	0	0	0%	0	0	0%
Total Workers	0	0	0%	0	0	0%

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY-2024 Current Financial Year					FY-2023 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	22470	4351	19.36%	18119	80.64%	23805	5451	22.90%	18354	77.10%
Male	16149	3358	20.79%	12791	79.21%	17040	4194	24.61%	12846	75.39%
Female	6321	993	15.71%	5328	84.29%	6765	1257	18.58%	5508	81.42%
Other than Permanent	7250	4058	55.97%	3192	44.03%	6909	3115	45.09%	3794	54.91%
Male	6730	3797	56.42%	2933	43.58%	5814	2516	43.27%	3298	56.73%
Female	520	261	50.19%	259	49.81%	1095	599	54.70%	496	45.30%
Workers										
Permanent	0	0	0%	0	0%	0	0	0%	0	0%
Male	0	0	0%	0	0%	0	0	0%	0	0%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Other than Permanent	0	0	0%	0	0%	0	0	0%	0	0%
Male	0	0	0%	0	0%	0	0	0%	0	0%
Female	0	0	0%	0	0%	0	0	0%	0	0%

3. a Details of remuneration/salary/wages

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	10	₹4,572,500	3	₹4,165,000
Key Managerial Personnel	2	₹55,648,032	2	₹13,477,500
Employees other than BoD and KMP	22877	₹290,995	6839	₹298,140
Workers	Not Applicable			

3. b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY-2024 (Current Financial Year)	FY-2023 (Previous Financial Year)
Gross wages paid to females as % of total wages	21.47%	22.24%

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)

Manappuram Finance Limited recognizes the importance of addressing human rights impacts and issues within our operations. We have established robust frameworks to ensure compliance and promote a fair and safe workplace environment.

- Protection of Women Against Sexual Harassment at Workplace (POSH):** We have implemented a comprehensive POSH policy, in line with legal mandates, which includes the formation of Internal Compliance Committees (ICC) at both our Registered Office and Regional Levels. These committees are tasked with addressing and resolving complaints related to sexual harassment promptly and effectively.
- Redressal of Employee Grievances:** At Manappuram Group, we prioritize maintaining a supportive workplace culture. Our Redressal of Employee Grievance Policy provides a structured mechanism for employees to raise and resolve grievances in a transparent manner. This policy underscores our commitment to addressing any issues or concerns raised by employees through a dedicated Employee Grievances Redressal Committee established at the Group level.

These initiatives are integral to our commitment to upholding human rights principles across our business operations.



5. Describe the internal mechanisms in place to redress grievances related to human rights issues. Manappuram Finance Limited maintains dedicated mechanisms to address human rights impacts or issues arising from our operations.

1. **POSH Complaint Process:** Any aggrieved woman can submit a written complaint to our Internal Complaints Committee (ICC) or via email to "icc@manappuram.com" within three months of the incident, extendable with valid reasons. The ICC conducts conciliation and, if needed, inquiry proceedings with powers similar to a civil court. Recommendations by the ICC are acted upon by MAFIL management, ensuring confidentiality and imposing penalties for breaches. Appeals against ICC decisions can be filed within ninety days.
2. **Employee Grievance Redressal Process:** Employees must initially report grievances in writing to their immediate supervisor, who aims to resolve them within 2 working days. Unresolved or escalated matters are directed to the HR Grievance Officer via the DotNet Module. Grievances are categorized and investigated promptly, with escalation to higher committees if necessary. Strict timelines ensure timely resolution, with opportunities for employee feedback to drive continuous improvement. These processes underscore our commitment to fostering a supportive and compliant workplace environment.

6. Number of Complaints on the following made by employees and workers:

	FY-2024 Current Financial Year			FY-2023 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	2	0		7	0	
Discrimination at workplace	0	0		0	0	
Child Labour	0	0		0	0	
Forced Labour/Involuntary Labour	0	0		0	0	
Wages	0	0		0	0	
Other human rights related issues	0	0		0	0	

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY-2024 (Current Financial Year)	FY-2023 (Previous Financial Year)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	2	7
Complaints on POSH as a % of female employees / workers	.03%	.08%
Complaints on POSH upheld	1	4

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013, are handled with strict confidentiality measures in place at Manappuram Finance Limited.

Secrecy & Penalty for Violation: To uphold confidentiality, the following information pertaining to complaints:

1. Contents of the complaint by the aggrieved woman.
2. Identities and addresses of the aggrieved woman, respondent, and witnesses
3. Details related to conciliation and inquiry proceedings
4. Recommendations of the Internal Committee (IC), and
5. Actions taken by the employer—must not be disclosed to the public, press, or media. This obligation supersedes any provisions under the RTI Act.

While ensuring confidentiality, information regarding justice achieved for victims can be shared without revealing identifiable details. Any breach of confidentiality by individuals handling complaints or recommendations will result in disciplinary action as per their service rules.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)
No. Human rights requirements currently do not form part of the business agreements and contracts, but we encourage our value chain to ensure compliance with human rights requirements.
10. Assessments for the year:
Not Applicable.
11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.
Not Applicable.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.
Not Applicable.
2. Details of the scope and coverage of any Human rights due-diligence conducted.
Not Applicable.
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?
No. Manappuram Finance Limited acknowledges that its premises/offices are not currently fully accessible to differently abled employees and workers in accordance with the requirements of the Rights of Persons with Disabilities Act, 2016. However, we are committed to promoting inclusivity and ensuring equal opportunities for all individuals.
4. Details on assessment of value chain partners:
Not Applicable.
5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.
Not Applicable.

**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:

	FY-2024 (Current Financial Year)	FY-2023 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	228.31 GJ	192.43 GJ
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	228.31 GJ	192.43 GJ
From non-renewable sources		
Total electricity consumption (D)	64985.23 GJ	61128.04 GJ
Total fuel consumption (E)	1955.35 GJ	1368.60 GJ
Energy consumption through other sources (F)	-	-
Total energy consumed from non- renewable sources (D+E+F)	66940.58 GJ	62496.64 GJ
Total energy consumed (A+B+C+D+E+F)	67168.90 GJ	62689.08 GJ
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	11.52 GJ/Crore	13.01 GJ/ Crore
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	26.36 GJ/ Million	29.79 GJ/ Million
Energy intensity in terms of physical output	-	-
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

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? (Y/N) 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	FY-2024 (Current Financial Year)	FY-2023 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	16262.5 KL	16262.5 KL
(iii) Third party water	337.36 KL	97 KL
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	16599.86 KL	16359.5 KL
Total volume of water consumption (in kilolitres)	0	0
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	2.84 KL/Crore	3.39 KL/Crore
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	6.51 KL/ Million	7.77 KL/ Million
Water intensity in terms of physical output	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: The water withdrawal data provided pertains to drinking water and groundwater. Data from third-party water sources at branches is not included.

4. Provide the following details related to water discharged:

Parameter	FY-2024 (Current Financial Year)	FY-2023 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) Surface water		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) Groundwater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) Third party water		
- No treatment	16599.86 KL	16359.5 KL
- With treatment – please specify level of treatment	-	-
(iv) Seawater / desalinated water		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	16599.86 KL	16359.5 KL

Note: The water discharge data provided pertains to drinking water and groundwater. Data from third-party water sources at branches is not included.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.
Not Applicable.
6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:
Not Applicable.
7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY-2024 (Current Financial Year)	FY-2023 (Previous Financial Year)
Total Scope 1 Emissions	TCO ₂ e	138.88	95.66
Total Scope 2 Emissions	TCO ₂ e	12924.84	12072.78
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	TCO ₂ e/ Crore	2.24	2.52
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	TCO ₂ e/ Million	5.12	5.78
Total Scope 1 and Scope 2 emission intensity in terms of physical output			
Total Scope 1 and Scope 2 emission intensity (optional) the relevant metric may be selected by the entity			

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.
Manappuram Finance Limited is dedicated to reducing Greenhouse Gas (GHG) emissions through several strategic initiatives:
- Solar Electrification:** We are implementing solar electrification systems across our head and branch offices to decrease our reliance on purchased electricity. This year, we achieved an 18% increase in solar electricity production compared to FY 2022-23, demonstrating our commitment to expanding renewable energy usage.



2. **Electric Vehicle Fleet:** We are actively transitioning our vehicle fleet to electric vehicles (EVs). This initiative not only aims to reduce carbon emissions but also promotes sustainable transportation practices. In the reporting year, our adoption of electric vehicles has resulted in a reduction of 1923 KgCO₂e emissions.

These efforts underscore our firm commitment to environmental sustainability and align with our goals to mitigate climate change impacts within our operational footprint.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY-2024 (Current Financial Year)	FY-2023 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	1.462	0.601
E-waste (B)	-	-
Bio-medical waste ©	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	-	-
Other Non- hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	-	-
Total (A+B+C+D+E+F+G+H)	1.462	0.601
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.0002 MT/ Crore	0.0001 MT/ Crore
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.0005 MT/ Million	0.0003 MT/ Million
Waste intensity in terms of physical output	-	-
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)		
Recycled	-	-
Re-used	-	-
Other recovery operations	-	-
Total	-	-
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Incineration	-	-
Landfilling	-	-
Other disposal operations	-	-
Total	-	-

Note: The waste data provided pertains solely to the head office of Manappuram Finance Limited.

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.

At Manappuram Finance Limited, we prioritise sustainable waste management and responsible chemical usage across our operations. Our approach includes sending plastic and e-waste to accredited third-party recyclers for proper recycling and disposal. Specifically, for e-waste, rigorous protocols ensure that hard drives are removed securely before disposal through trusted third-party services.

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:

Not Applicable.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:
Not Applicable.
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:
Not Applicable.

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 (ii) Nature of operations (iii) Water withdrawal, consumption and discharge in the following format:
Not Applicable.
2. Please provide details of total Scope 3 emissions & its intensity, in the following format:
Not Applicable.
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:
Not Applicable.
5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.
Yes, Manappuram Finance Limited (MAFIL) has established a robust Business Continuity and Disaster Management Plan that encompasses critical processes across various departments. These include Gold Loan Sales & Collection, Branch Operations, IT, Accounts & Finance, E Security, and other loan departments at our head office, corporate office, and field locations. The policy mandates compliance for all personnel to mitigate operational risks, protect assets, and uphold our corporate reputation during disruptions. A dedicated BCM Steering Committee oversees strategic aspects and ensures policy adherence. A BC Manager coordinates BCM activities, including plan development, testing, and reporting. Business Continuity Plan (BCP) owners within each service area oversee implementation, supported by BC Champions and support functions to facilitate planning, execution, and continuous improvement. The BCM Steering Committee, comprising management representatives, conducts annual reviews and updates the policy as needed to adapt to significant changes or emerging risks.
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.
Not Applicable
7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.
Not Applicable.



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.
2
- 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	Finance Industry Development Council	National
2	Federation of Indian Chambers of Commerce and Industry	National

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.
No incidents of Anti-competitive conduct.

Leadership Indicators

1. Details of public policy positions advocated by the entity:
Not Applicable.

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 project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Promotion of healthcare- Ambulance Project : Manappuram's ambulance initiative comprises a fleet of seven vehicles serving the needs of Thrissur and Kochi district. Among these, five are specialized NICU-PICU ambulances primarily designated for the transportation of children and babies in need of critical care. These ambulances are equipped with specialized equipment and trained medical personnel to cater specifically to the needs of paediatric patients. The organization also has one ICCU ambulance dedicated to critical care. The fleet also comprises a non-ICU ambulance, which is utilized for non-critical medical transports, such as routine medical transfers or emergencies that do not require intensive care facilities during transportation. The first ambulance was acquired in 2016. The majority of the fleet expansion occurred in 2021, with the acquisition of five ambulances. This significant investment was a response to MAFIL'	-	-	Yes	No	-
Promotion of healthcare- Development of Gym, fitness, yoga, swimming pool and Mahima Counselling centre: Mahima Counselling centre: Mahima Centre works towards providing a holistic approach to addressing various psychological, developmental, and educational challenges individuals face across different stages of life. The centre offers a wide range of services tailored to meet the unique needs of clients, from children with speech delays to adults seeking career guidance or managing mental health issues. The centre is located in Valappad, Thrissur, which essentially is a fishing hamlet where a majority of people come from predominantly marginalized backgrounds,	-	-	Yes	No	-

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
-----------------------------------	----------------------	----------------------	---	--	-------------------

Gym: At the premium gym in Valappad, individuals have access to a high-quality fitness experience guided by professional instructors and equipped with state-of-the-art branded fitness equipment. Catering to diverse fitness goals and levels, the centre offers personalized programs designed to engage individuals in achieving their desired results. Beginning with individualized assessments, the centre tailors exercise regimens to each individual's starting fitness level. The gym offers personalized training, monthly personal fitness programs, regular re-evaluations, features like spacious relaxation lounges, shower facilities, and steam rooms.

Aquatic Complex: Located in Valappad, the Manappuram Aquatic Complex offers a retreat for swimmers in and around the geographic area. Its main pool, spanning 25 meters in length and 12 meters in width with a depth of 5 feet, provides ample space for various activities. International certified trainers also provide coaching sessions for individuals of all ages, including special programs for differently abled swimmers. The complex operates from 6:00 AM to 9:00PM and has adequate parking and hygienic facilities.

Yoga Centre: Manappuram Yoga Centres, situated in Thrissur and Valappad, cater to individuals of all ages and proficiency levels, offering a diverse range of yoga classes and workshops. With a focus on promoting holistic well-being encompassing physical, mental, and spiritual aspects, these centres provide a nurturing environment for yoga practice. Various yoga disciplines such as Hatha Yoga, Ashtanga Yoga, Vinyasa Yoga, and Pranayama are taught by certified yoga instructors, ensuring personalized attention for each participant. Through these classes, individuals are empowered to understand the transformative benefits of yoga.

Badminton Court: Established in 2022 within Painoor, Valappad, the badminton court offers a dedicated space for training and practice sessions catering to both athletes and individuals alike. It provides comprehensive training programs tailored to different proficiency levels, including beginners, intermediate, and adult coaching. Both group sessions and individualized training are available, ensuring personalized attention and guidance. Operating from 6:00 AM to 9:00 PM, the court ensures convenient access for enthusiasts, with ample parking and well-maintained hygienic facilities.

Promotion of healthcare- Expansion of Macare diagnostics:

Ma Care is a chain of polyclinics in Kerala that are committed to delivering high-quality radiology and lab services. Equipped with state-of-the-art technologies, Ma Care ensures seamless and modern healthcare delivery. With 14 departments offering speciality and super-speciality services, patients have the option for both walk-in consultations and online video consultations, as well as access to an online pharmacy. Ma Care's services extend across Thrissur and Kochi districts, catering to a diverse population.

- - Yes No -



Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
<p>Promotion of Quality education- Mukundapuram and Mageet Schools:</p> <p>MAFIL's investment in schools like MPS (Manappuram Public School) and MaGeet was based on the organization's commitment to providing quality education and fostering holistic development in the rural communities it serves. By allocating resources to educational initiatives, MAFIL aimed to address the critical need for accessible and high-quality rural schooling, particularly in regions like Valappad and Thrissur. Through MPS and Ma Geet, MAFIL aimed to facilitate the provision of comprehensive education that goes beyond academic excellence, thereby nurturing students' intellectual, emotional, and social growth.</p>	-	-	Yes	No	-
<p>Promotion of Quality education- Skilling for students- MASKILL/MAIAM, Skilling projects:</p> <p>India, with its rapidly growing economy and a burgeoning youth population, stands at a critical juncture where skilling initiatives are imperative for sustainable development. The country's demography, characterized by a significant proportion of the working-age population, can be a boon if harnessed correctly. However, a large segment of this workforce remains unskilled or under-skilled, posing a challenge to economic growth and competitiveness. Skilling initiatives are essential to bridge this gap, equipping individuals with the necessary competencies to meet the demands of various industries, including technology, manufacturing, and services. By investing in skill development, India can enhance employability, reduce poverty, and ensure that its youth contribute effectively to the nation's economic progress. Recognizing the critical need for skill development, MAFIL has made significant investments in skilling within Valappad and the rural areas of Coimbatore and Palakkad through its Corporate Social Responsibility (CSR) initiatives. These investments include support for three major projects aimed at enhancing vocational skills and improving employment opportunities. One project, in collaboration with the Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY), focuses on skill development for rural youth, providing market-led training to improve employability. The MAIAM project was dedicated to automotive skilling, addressing the growing demand for skilled professionals in the automotive sector. MASKILL focused on nursing, training individuals to meet the critical need for healthcare professionals.</p>	-	-	Yes	No	-
<p>Promotion of Quality Education - Student Coaching for Higher Education - CA/Entrance :</p> <p>Established in 2013, the Manappuram Academy of Professional Education (Ma Campus) is dedicated to providing coaching classes for CA-Foundation, CA-IPCC (Intermediate Course), CA-Final, and CMA courses. Currently, these courses are available at the Valappad and Thrissur Centers. Manappuram Academy for Entrance Coaching offers coaching for NEET, AIIMS, JIPMER, IIT, NIT, IIIT, and other prestigious exams. This coaching is designed for students aspiring to enter various professional courses in medical and engineering colleges, as well as other reputable institutes offering degrees in pure and applied sciences, such as IISc, IISER, NISER, and more.</p>	-	-	Yes	No	-

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Not Applicable.

3. Describe the mechanisms to receive and redress grievances of the community.

At Manappuram Finance Limited, we prioritize the well-being and satisfaction of the community we serve. We have established effective mechanisms to receive and redress grievances from the community. The following channels are available for community members to report their complaints and grievances:

1. Community members can directly approach our office locations to report their grievances. Our staff is trained to handle and address complaints promptly and efficiently.
2. We have dedicated community outreach teams that actively engage with the local community and collect grievances from community members during their visits.
3. We understand the importance of digital platforms in today's interconnected world. Community members can report complaints and grievances through our official social media channels. Our social media team actively monitors these platforms and ensures timely response and resolution.
4. We have established customer relations teams that are specifically trained to handle and resolve customer grievances. Community members can reach out to these teams through designated contact points and expect a quick and satisfactory resolution.
5. We provide a toll-free helpline number that is easily accessible to the community. Individuals can call this number to report their grievances, and our dedicated team members will address their concerns with utmost priority.

We are committed to addressing grievances in a fair, transparent, and timely manner. Each complaint or grievance received through these channels is thoroughly investigated, and appropriate actions are taken to redress the concerns raised. Manappuram Finance Limited values the trust and feedback of the community, and we strive to continuously improve our services based on their inputs.

4. 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:

	FY-2024 Current Financial Year	FY-2023 Previous Financial Year
Rural	23.52%	22.75%
Semi-urban	54.39%	54.33%
Urban	14.47%	15.16%
Metropolitan	7.62%	7.76%

Leadership Indicators

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Not Applicable.

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

No. We do not have any preferential procurement policy for suppliers.

3. (b) From which marginalized /vulnerable groups do you procure?

Not Applicable.

3. (c) What percentage of total procurement (by value) does it constitute?

Not Applicable.

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:

Not Applicable.

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.

Not Applicable.



6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Macare diagnostics	107595	100%
2	Ambulance service	3075	33.8%
3	Gym, badminton, Yoga, MAHIMA and swimming pool	2500	100%
4	Donations/for individuals having ailment etc./Others	137	100%
5	Mukundapuram and Mageet Schools	1419	85%
6	Skilling for students- MAskill/MA IAM/DDUGKY	352	95%
7	students coaching for higher education- CA/entrance (Macampus and Maacademy)	796	85%
8	Supporting various educational institutions and organizations, including Mobile for students etc.	-	-
9	Community development programs/Housing projects support etc.	29	100%

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner**Essential Indicators**

- Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

At Manappuram Finance Limited, we recognize that customers are the lifeblood of our business. Excellence in customer service is essential to our growth, especially in a competitive environment. Therefore, we have established a robust and effective redressal mechanism for addressing customer grievances.

The Customer Services Cell (CSC) at our Head Office serves as the central point for managing customer-related grievances. Our mechanism includes the following steps:

- Initial Reporting:** The recipient of the complaint must inform the concerned Head of the Department at the Head Office about the nature and severity of the complaint. The Head of the Department will then immediately notify the CSC.
- Immediate Action:** The recipient will take appropriate action to resolve the grievance. In serious cases, the CSC will also take immediate action to resolve the issue and will track its resolution.
- Tracking and Urgency:** The CSC will track the resolution of the grievance. In critical cases, the Head of the CSC will notify the concerned Head of the Department by telephone to emphasize the urgency of the situation.

Grievances are addressed immediately but no later than three working days from the date of receipt of the complaint. All unresolved complaints beyond 20 working days from the date of receipt at any office of the company will be escalated by the CSC through the Head of Operations to the CFO for immediate intervention.

Additional information is provided on our policy page under "Mechanism for Dealing with Customer Complaints & Redressal".

- Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:
Not Applicable.
- Number of consumer complaints in respect of the following:

	FY-2024 Current Financial Year		Remarks	FY-2023 Previous Financial Year		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0		0	0	
Advertising	0	0		0	0	
Cyber-security	0	0		0	0	
Delivery of essential services	816	24		1290	50	
Restrictive Trade Practices	0	0		0	0	
Unfair Trade Practices	0	0		0	0	
Other	7231	31		4792	91	

4. Details of instances of product recalls on account of safety issues:

Not Applicable.

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, Manappuram Finance Limited has a comprehensive Data Privacy Policy in place to address cybersecurity and risks related to data privacy. The policy is available on our website and can be accessed via the following link: <https://www.manappuram.com/policies-codes>.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

At Manappuram Finance Limited, we take corrective actions seriously to address any issues relating to advertising, delivery of essential services, cybersecurity, data privacy and regulatory penalties. Our corrective measures include:

1. **Employee Training:** Regular training programs are conducted to ensure employees are well-informed about compliance and best practices. **Warnings and Retraining:** In cases of non-compliance, warnings are issued and retraining is provided to the concerned employees to prevent future occurrences.
2. **Disciplinary Actions:** For serious complaints or repeated offenses, we implement internal disciplinary actions which may include transfer, suspension, demotion, or other penalties as deemed appropriate.

These measures ensure that we maintain high standards of service delivery, protect customer data, and comply with all regulatory requirements.

7. Provide the following information relating to data breaches

a. Number of instances of data breaches

There was no instance of data breaches in FY 2023-24.

b. Percentage of data breaches involving personally identifiable information of customers

Not Applicable.

c. Impact, if any, of the data breaches

Not Applicable.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

Currently, under the name of Manappuram Finance Limited, we are officially listed on various social media platforms such as Facebook, Instagram, LinkedIn, Twitter, YouTube, and Sharechat. We also have an official website. We regularly advertise our gold loan products through these channels.

Below are the URLs:

- Facebook: <https://www.facebook.com/ManappuramFinanceLimitedMAFIL>
- Instagram: <https://www.instagram.com/manappuramofficial/?igsh=YXU3OGt0eHpuOW50>
- Twitter: <https://x.com/ManappuramMAFIL>
- LinkedIn: <https://www.linkedin.com/company/manappuram-finance-limited/>
- Website: <https://www.manappuram.com/>
- Sharechat: <https://sharechat.com/profile/manappuramfinance?d=n>
- YouTube: <https://www.youtube.com/@ManappuramFinanceLimited>



2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.
3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.
At Manappuram Finance Limited, we prioritize the education and awareness of our customers regarding the safe and responsible use of our products and services. Our initiatives include:
 1. **Customer Consent Form:** We collect consent forms from our customers, ensuring that they are informed about the products and services being offered.
 2. **Product Information Updates:** We regularly update our customers on the features of our products and the services we offer.
 3. **Website and Social Media:** We use our official website and social media posts to sensitize and educate customers about the safe and responsible usage of our products.
 4. **Branch-Level Meetings:** Monthly meetings are conducted at the branch level by regional managers. During these meetings, the following points are discussed: - Product information and features - Customer service-related issues - Complaints, suggestions, and feedback from customers
 5. **Product Details Display:** Detailed information about our products is displayed prominently at all our branches.

At Manappuram Finance Limited, we have established robust mechanisms to ensure that our customers are promptly informed of any potential disruptions or discontinuations of essential services. We send SMS alerts to customers' registered mobile numbers to inform them of any disruptions. These messages provide timely updates regarding application issues and server downtime.

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. At Manappuram Finance Limited, we prioritize customer interests and financial education. We ensure that our product information goes beyond the mandates of local laws, aiming to be clear, easily understandable, and readily accessible to our customers. Our initiatives related to customer education and awareness the detailed in our response against Principle 9, Leadership Indicator

Yes, at Manappuram Finance Limited, we actively gather consumer feedback to gauge satisfaction levels across various aspects of our operations: - Feedback surveys are sent to customers via the mobile app immediately after applying for our products. - Feedback prompts are triggered at the time of repayment to capture customer insights. - QR codes are available at branch locations for customers to provide feedback directly. - Our call center is utilized for collecting additional feedback from customers. These measures help us continuously assess and improve our services to better meet customer expectations.

Board's Report

Dear Members,

The Board of Directors of Manappuram Finance Limited have the pleasure of presenting before you the Thirty Second Annual Report of the Company together with the Audited Standalone and Consolidated Statements of Accounts for the financial year ended March 31, 2024.

Financial Highlights

(₹ in million)

Description	Standalone		Consolidated	
	2023-24	2022-23	2023-24	2022-23
Gross Income	58,546.49	48,268.58	89,200.89	67,499.47
Total Expenditure	36,330.23	31,205.30	59,605.73	47,088.97
Profit Before Tax	22,216.26	17,063.28	29,595.16	20,410.50
Provision for Taxes/ Deferred tax	5,638.51	4,400.65	7,620.22	5,408.79
PAT before comprehensive income	16,577.75	12,662.63	21,974.95	15,001.72
Other Comprehensive Income	(95.90)	245.42	(127.45)	267.18
Minority interest	-	-	87.54	42.30
PAT including comprehensive income	16,481.85	12,908.05	21,847.49	15,268.90
Amount available for appropriations (Retained Earnings-Opening balance)	50,183.14	42,592.22	55,160.93	45,718.89
Appropriations:				
Profit for the year	16,577.75	12,662.63	22,059.37	15,069.33
Transfer to statutory Reserve	(3,315.55)	(2,532.53)	(3,749.59)	(3,007.73)
Interim Dividend on Equity share	(2,793.18)	(2,539.18)	(150.00)	(2,619.57)
Adjustment on account of IND AS (Impairment Reserve)	-	-	-	-
Loss on acquisition	-	-	-	-
Utilized during the year	-	-	-	-
Balance carried forward to next year (Closing Balance)	60,652.16	50,183.14	73,320.71	55,160.93

Company's Performance

For the financial year ended March 31, 2024, the Company reported a gross income of ₹ 58,546.49 million, marking a significant increase from ₹ 48,268.58 million in the previous financial year, reflecting a growth of 0.18%. The Company's profit before tax surged to ₹ 22,216.26 million, compared to ₹ 17,063.28 million in the prior year. Furthermore, the net profit for the year rose by 0.24%, reaching ₹ 16,577.75 million, up from ₹ 12,662.63 million in the preceding year. The Asset Under Management (AUM) stood at ₹ 2,81,607.59 million as of March 31, 2024, compared to ₹ 2,41,887.92 million as of March 31, 2023.

The Company's consolidated AUM experienced a robust growth of 18.7%, during the year, driven by rapid expansion in the housing finance segment (37.8%), and vehicle finance segment (69.1%). Additionally, gold loan AUMs increased by 8.9% during the year.

1. Diversification of Business

With over 31 years of experience, our company operates in the NBFC sector, boasting a diversified business portfolio and a branch network of 5,286 on consolidated basis. We have established ourselves as a versatile NBFC, catering to diverse customer needs. In the reporting year, we achieved our diversification goal, balancing our Gold and Non-Gold business at 50:50. Currently, our gold loan business contributes 51%, while our non-gold business contributes 49%, reducing our reliance on Gold Loan Assets Under Management (AUM).

Our company is committed to serving customers at the bottom of the pyramid through various segments, including affordable housing finance, vehicle and equipment finance (covering commercial vehicles, two-wheelers, tractors, and car loans), microfinance, SME finance, project and industrial finance, corporate finance, and insurance broking.



Over the past 4-5 years, we have significantly expanded these segments, leveraging our gold loan customer base, extensive branch network, and the strong reputation of Brand Manappuram.

This financial year, we shifted from a product-centric to a customer-centric approach, offering a diversified range of products such as vehicle loans, home loans, and MSME loans. Our branch network has been instrumental in cross-selling these products, increasing the AUM of our non-gold business, enhancing its visibility, and achieving our diversification goals, thereby mitigating risk.

At Manappuram, we have improved our credit quality, with standalone GNPA and NNPA below 2%. By the end of the financial year, GNPA stood at 1.9% and NNPA at 1.7%. To maintain healthy asset quality, we have implemented various measures, including a dedicated Customer Relationship Management (CRM) system for our customers. Our CRM team, fluent in local languages, fosters strong customer relationships and ensures timely EMI collections. Additionally, online payment methods have streamlined the collection process and helped us to reduce NPA.

We prioritise risk management through robust underwriting practices, particularly in our gold loan business, where we mitigate low credit risk with stringent security measures. For our other business segments, extensive audits and proactive strategies help us stay ahead of credit risk. Continuous portfolio analysis ensures a de-risked portfolio, while dedicated relationship managers have successfully reduced NPAs in the MSME sector by fostering strong client relationships. Leveraging historical data, geographical insights, and extensive experience, we effectively manage potential risks, ensuring the stability and growth of our diverse business portfolio.

Loan underwriting involves a meticulous assessment of a borrower's creditworthiness and repayment capacity, examining factors such as credit history, income, assets, debt levels, and overall financial stability. This critical process is essential for mitigating risk, maintaining credit quality, and ensuring regulatory compliance. At our company, we have implemented well-established underwriting rules, processes, and systems across various verticals. Our comprehensive policies are designed to evaluate borrowers' creditworthiness effectively and manage credit risk efficiently.

Our credit policies for non-gold loan segments ensure high-quality credit underwriting through thorough credit assessment, financial analysis, collateral evaluation, and risk-based pricing. The credit assessment process starts with a detailed review of the borrower's credit history, including credit scores, payment history, outstanding debts, and any negative marks. We then analyse financial statements to evaluate repayment capacity, taking into

account factors like employment stability, income levels, and debt-to-income ratios to determine the borrower's ability to meet loan obligations comfortably. Collateral evaluation involves assessing the value and quality of assets offered to secure the loan, using risk-based pricing methodologies to set appropriate interest rates and loan terms. Higher-risk borrowers are assigned higher interest rates to compensate for the increased likelihood of default, while lower-risk borrowers receive favourable rates and terms.

Improved loan underwriting policies are essential for responsible lending, offering valuable insights for making informed decisions on loan approvals, terms, and interest rates. By mitigating risks, ensuring credit quality, and adhering to regulatory requirements, our underwriting policy creates a healthy environment for both the company and its borrowers.

In the financial services industry, where numerous entities offer a wide range of products, success hinges on retaining existing customers and acquiring new ones. A critical factor in this competitive landscape is the changing demographic profile in India. Understanding the preferences, and behavioural patterns of this young demographic is essential for designing products tailored to their needs.

At MAFIL, our CRMs are integrated into various business functions, including lending and customer service, ensuring that customers' needs remain central to all processes. MAFIL recognizes that customer satisfaction, loyalty, and retention are key drivers of overall profitability and efficiency. By retaining customers, we significantly reduce marketing and promotional costs, as satisfied customers often bring in new clients through referrals and word-of-mouth publicity.

MAFIL has developed a robust CRM system that provides a comprehensive overview of customer profiles, leveraging business intelligence and analytics. The CRM dashboard offers Relationship Managers detailed insights into customer history, credit facility status, loan servicing due dates, and outstanding customer service issues. This data aids MAFIL in effectively managing collections, generating leads, and converting them into sales.

The CRM team fosters strong relationships with borrowers, ensuring timely collection of instalments. This close relationship has helped MAFIL maintain low delinquency levels in its non-Gold verticals, setting an industry benchmark. Additionally, these relationships have created more cross-selling opportunities and improved collections from previously defaulted borrowers.

Currently, our non-Gold businesses contribute 49% to the total AUM, with Gold Loans making up the 51% contribution to the consolidated business. In the year under review, our total AUM stood at ₹ 4,20,696 million,

compared to ₹ 3,54,279 million in FY2023 indicating a y-o-y growth of 18.7%.

The Vehicle and Equipment Finance segment and the Onlending Business reported an AUM of ₹ 41,109 million and ₹ 9,886 million respectively at the end of FY2024, compared to ₹ 24,308 million and ₹ 8,748 million in FY2023. Manappuram Home Finance Limited, the Company's housing subsidiary, achieved an AUM of ₹ 15,097 million in FY2024, up from ₹ 10,958 million in the previous year. Additionally, the Company's portfolio includes Payments, SME business, and fee-based services such as Forex and Money Transfer.

Apart from our gold business, the non-gold businesses contribute 48.9% to the total assets under management.

Vehicle & Equipment Finance

As of March 31, 2024, the Vehicle and Equipment Finance (VEF) portfolio stands at approximately ₹41,109 million, encompassing 443 locations across 23 states. The Commercial Vehicles and Construction Equipment portfolio amounts to ₹21,013 million, with 29,725 contracts. The two-wheeler finance portfolio is valued at ₹6,880 million with 152,613 contracts, while the car finance portfolio totals ₹10,803 million with 29,143 contracts. Other vehicle loans comprise a portfolio of around ₹ 2,412 million. Our business is underpinned by robust pre-screening methodologies and thorough credit assessments, ensuring a healthy portfolio mix.

In the financial year 2023-24, the VEF division disbursed a cumulative amount of ₹31,082 million, primarily driven by the Commercial Vehicle and Construction Equipment segment (₹14,969 million) and car finance (₹ 8,486 million), followed by two-wheeler finance (₹5,799 million) and other vehicle loans (₹ 1,828 million).

The market sentiment towards commercial vehicles is notably bullish, spurred by the emphasis placed on infrastructure development in the 2023 budget. With a significant focus on enhancing warehouse and logistic infrastructure, there is anticipation of heightened demand for both Small Commercial Vehicles (SCVs) and Heavy Commercial Vehicles (HCVs). This strategic direction aligns with our industry outlook, reflecting a promising trajectory for our commercial vehicle offerings.

The business is strengthened by robust pre-screening methodologies and credit assessments, ensuring a healthy portfolio mix with quick decision-making delegated to the branch or regional level in accordance with approved credit policies.

- The RBI projects a GDP growth rate of 7.2% per annum for FY 2024-25

- The Light Commercial Vehicles and Small Commercial Vehicles segment is expected to grow due to increased intra-city and inter-city transportation within the state
- The Commercial Vehicle and Construction Equipment industry is bolstered by government initiatives, including the proposed vehicle scrappage policy targeting the replacement of vehicles older than 15 years
- The interim budget for 2024-25 includes an allocation of ₹ 2.78 trillion towards the road transport sector
- The high cost of new cars is expected to result in moderate growth in the used car market in 2024-25
- The two-wheeler industry continues to be driven by primary demand, with a partial boost from the growing demand for electric vehicles
- A normal monsoon is anticipated to support flat to moderate growth in the farm equipment business during 2024-25

MSME and Personal Loan Business

MSMEs are a critical sector of the Indian economy and have made substantial contributions to the nation's socioeconomic advancement. It not only generates employment opportunities but also works hand-in-hand to develop the nation's backward and rural areas. To tap the potential of growing MSMEs across the country, having started MSME lending from a zero base in January 2019, we could easily see there was good demand for such loans. Accordingly, within a short period, we went ahead and scaled up the business to new geographies like Tamil Nadu, Karnataka, Andhra Pradesh, etc. Our initial focus remained on the southern states, where we targeted the local 'Kirana' shops and small industrial establishments. We were careful to exercise due care when vetting the loan applications, and in this, we were helped by our pool of existing gold loan customers who gave us good leads about quality borrowers.

We were confident that MSME lending would be one of our major growth areas, given that grassroots entrepreneurship is taking off in a big way. An acute cash crunch faced most MSMEs, necessitating immediate liquidity to stabilize their situation. The disruptions gave us an excellent opportunity to serve these MSMEs by speedily catering to their urgent requirement for working capital. We seized the opportunity and expanded the business to the rest of India, adding states like Odisha, West Bengal, Uttar Pradesh, Chhattisgarh, Madhya Pradesh, Maharashtra, Gujarat, Rajasthan, Haryana, etc. For business purposes, we only disburse fully secured loans. We limited the maximum loan amount for shops and establishments to ₹ 50 lakhs.



Our range of diversified product are as follows:

1. Loans to Businesses/ Service Providers
2. Loan against Property
3. Personal Loan
4. Loans to professionals

An important factor that enabled us to maintain excellent asset quality is our use of novel methods for loan appraisal. Before sanctioning any loan, we thoroughly analyse the repayment behaviour of the applicant. It helps us assess the credibility and financial status of the borrower, and that is taken into account with their credit score. Once we disburse the loan, we offer our customers user-friendly online payment options such as Google Pay, Paytm, and PhonePe, among others, to facilitate easy loan repayments, thereby enhancing our collections. Further, we have established a collection and customer relations team to exclusively cater to MSME borrowers, and they have played a crucial role in holding down delinquency and the Gross NPA level to well below 2%.

Business Overview

Engage in providing loans ranging from ₹ 1 lakh to ₹ 50 lakh against property as collateral. We provide these loans for a tenure ranging from 12 to 180 months. Our business model allows for a short average turnaround time (TAT) of 2 to 6 days.

Key Developments FY 2023-24

- During the year under review ₹ 495 crore has been disbursed.
- AUM increased from ₹ 714 crore in FY 2022-23 to ₹ 930 crore indicating a growth of 30%
- Maintaining an average yield of 20%
- Our portfolio is an amalgamation of a variety of new products not familiar to the market

Fee-Based Services Including Forex and Money Transfer

Business overview

We hold an RBI-issued Authorized Dealers Category-II license and specialize in providing secure, fast, and convenient money transfer solutions for amounts up to ₹ 0.05 million, even without a bank account. Our services cater to transfers within India as well as abroad.

Key Developments, FY 2023-24

Our company offers a range of fee-based services, including money transfer, foreign exchange, and depository services. We facilitate quick, easy, and secure money transfers, allowing customers to send amounts up to ₹ 0.05 million without the need for a bank account, subject

to compliance with RBI norms. Additionally, we assist in currency exchange transactions permitted under the Foreign Exchange Management Act (FEMA). Holding an Authorized Dealer (AD) Category 2 license from the RBI, we were also granted the license to act as the Indian Agent for Western Union Money Transfer in December 2017. Furthermore, we serve as sub-agents to the Indian representatives of various companies offering inward remittance services. Following are the highlights of our fee-based services:

- Tie up with Five money transfer agencies for inward remittance
- About 62% of the inward remittance is contributed by Western Union. As an Indian agent of Western Union, we can appoint sub-agents to work on our behalf all over India
- Turnover of MTSS business is around ₹ 60 Million per month
- We have 4 active sub-agents for Western Union business who contribute about ₹ 09.5 Million per month to our business.

Payments Business

In March 2017, Manappuram Finance Limited received authorisation from the RBI to issue prepaid payment instruments, leading to the launch of the MAKash wallet. This mobile wallet allows users to carry cash in digital form, aligning with the country's cashless payments initiative. Customers can load funds into the wallet using a credit or debit card, or by visiting any MAFIL branches across India and load cash into the wallet without any extra cost.

MAKash currently serves approximately 4,000 active customers nationwide. During the financial year 2023-24, the wallet facilitated around 53,000 transactions, amounting to approximately ₹36 crore. Customers can create a wallet and conduct transactions with the assistance of MAFIL branches. Additionally, wallet services are accessible through the MAKash mobile application. MAKash offers the following services in both online and offline modes:

- Phone Recharge & DTH: With funds in your MAKash wallet, you can recharge your phone and DTH services in seconds
- Bill Payments: Pay all your bills quickly and avoid late fees by using MAKash for various bill categories
- Transfer money to Bank: Load money from your Credit Card/Debit Card and transfer it to any bank account in India, anytime
- UPI Integration: With UPI integration, the MAKash wallet will become interoperable with other payment systems across the country, anticipated by the end of this financial year

State of Affairs of Our Subsidiaries

Asirvad Micro Finance Limited (AMFL)

Asirvad Micro Finance Limited (AMFL) a non-banking finance company (“NBFC”) - microfinance institution (“MFI”) offering microfinance loans to low-income women, thereby promoting inclusive growth, through servicing and empowering an unbanked population who are socially and economically underprivileged. AMFL commenced operations in 2008, with two branches in Tamil Nadu and have grown to become an MFI with a pan-India presence. In addition, AMFL offers secured Loans against Gold and MSME Loans to small business owners and self-employed individuals.

AMFL is one of the youngest NBFC-MFIs with a relatively strong credit rating of CRISIL ‘AA-’ which emphasizes financial resilience, and enables us to borrow at competitive costs. Among the MFI Peer Group in India, AMFL was the first MFI to be rated AA- by CRISIL, (Source: CRISIL Report) highlighting legacy of financial performance. AMFL was also the fastest MFI to receive the AA- rating, within a period of three years. (Source: CRISIL Report) We benefit from a large and diversified mix of lenders availed from banks, including public sector banks, foreign banks and private banks, as well as NBFCs and other financial institutions.

AMFL is a digitally enabled MFI with automated loan processing capability from borrower onboarding to disbursement that includes borrower credentials validation through real time integrated application programming interfaces (“APIs”). AMFL has enabled realtime integration with credit bureaus to perform analysis of borrower tradeline reports for quicker decision making in loan processing. AMFL’s digitized loan process with cashless disbursements aims to minimize fraud and theft, and ensure reduced turnaround time.

Manappuram Home Finance Limited (MAHOFIN)

Manappuram Home Finance Limited (MAHOFIN) is a wholly owned subsidiary of Manappuram Finance Limited. MAHOFIN commenced operations in January 2015, focused on providing affordable housing loans tailored to the needs of mid-income to low-income individuals. Demonstrating robust performance, the housing finance division achieved 37.77% growth in its AUM in Fiscal 2024, reflecting a commendable Compound Annual Growth Rate (CAGR) of 19% over the past five years. As on March 31, 2024, the AUM stood at ₹ 15096.82 million. With a network of 65 branches spread across 12 states, particularly with a significant presence in the southern region, MAHOFIN continues to strengthen its loan portfolio. Recognizing the growing urbanization and the emergence of tier II and tier III cities, the Company is strategically planning to expand its footprint to cover nearby states and locations, further enhancing its market reach and serving a broader customer base.

Positioned as a leading provider of affordable home finance solutions, our targeted customers encompass self-employed individuals from the unorganized sector and others who face challenges in accessing credit facilities from mainstream financial institutions. Our product portfolio comprises two key offerings: Home Loans and Loans Against Property. Notably, the average ticket size for a Home Loan is approximately ₹0.59 million, while for the Loans Against Property segment, it stands at about ₹0.63 million. Through these tailored solutions, we aim to empower individuals to fulfil their homeownership aspirations and unlock the value of their properties while ensuring accessibility and affordability for all segments of society.

Manappuram Insurance Brokers Limited (MAIBRO)

Manappuram Insurance Brokers Limited (MAIBRO) is a licensed Insurance Broker regulated by the Insurance Regulatory and Development Authority of India (IRDAI). MAIBRO commenced its operations in the year 2006. As an IRDAI-authorized direct insurance broker for both life and non-life insurance, our company has consistently achieved steady growth. Our innovative and technology-driven approach earned us a spot among the top 10 insurance broking startups of the year 2023. This recognition highlights the pivotal role of our groundbreaking digital insurance platform in our success.

MaSuraksha stands as an innovative e-commerce portal operated by Manappuram Insurance Brokers, embodying our commitment to providing seamless and accessible insurance solutions to our valued customers. As an accredited direct insurance broker regulated by IRDAI, our company specializes in providing a comprehensive range of Life and General Insurance products tailored for the retail market. Our product portfolio includes two-wheeler, automobile, health, term, investment plans, shopkeeper policies, homeowner’s policies, personal accident insurance, critical illness policies, travel insurance, and hospital cash policies. A key driver of our success is our commitment to offering intelligent after-sales support, guiding consumers through every step of the insurance process.

Our online portal facilitates access for agents (POSP), enabling them to effectively sell diverse policies to clients through a dedicated POSP login module. With a dedicated customer service team available round-the-clock, we ensure a seamless customer experience marked by effortless purchase journeys, prompt claim support, timely renewals, and comprehensive service assistance, all contributing significantly to the sustained growth of our company.

With a deep understanding of customer needs and the insurance landscape, we offer tailored products and comprehensive support. Customers can compare options, and access contact centers or chat support as needed.



Our experienced team ensures timely service delivery and efficient claims settlement. We provide round-the-clock assistance and continually enhance our portal with new features. Leveraging advanced technologies like AI and blockchain, we prioritize cybersecurity measures for enhanced protection.

In the fiscal year 2023-24, the Company concluded with a total business volume of ₹ 1041.21 million, out of which new business accounted for ₹ 973.27 million. Serving a customer base of 3.95 million, MAIBRO achieved a notable net profit of ₹ 732.33 million, a significant increase from ₹ 31.51 million in FY 2022-23.

Continuously striving for excellence, we prioritize digitalizing the solicitation process to drive further growth. With a widespread network of over 11000 Point of Sales Agents operating nationwide, we have effectively penetrated insurance products across all segments of society. Our commitment to our customers is evident in our support during challenging times, with a commendable 95% claim settlement rate, ensuring peace of mind for families in need.

Manappuram Comptech and Consultants Limited

Manappuram Comptech and Consultants Limited (MACOM), a subsidiary of our company, concluded the year with a total revenue of ₹ 531.59 million, marking a significant growth in its revenue portfolio. Offering audit, taxation, and core IT services, MACOM caters to diverse market needs, including digital personal loans, loan management solutions, and microfinance services. Notably, MACOM achieved milestones such as successfully completing the cloud migration of the parent company and providing Oracle-based cloud platforms to fellow subsidiaries. Innovating with Android-based apps for EMI collection and customer-agent interactions, MACOM has solidified its reputation in the industry. With a net profit of ₹ 113.80 million in FY 2023-24, compared to ₹ 34.27 million in FY 2022-23, MACOM is poised for further growth. Moreover, the company's attainment of ISO 27001:2013 Information Security Management Systems Certification underscores its commitment to excellence and security in its operations.

2. Subsidiaries Performance

Your Company holds 97.60% equity shares of Asirvad Micro Finance Limited, 100.00% equity shares of Manappuram Home Finance Limited, 100% equity shares of Manappuram Insurance Brokers Limited and 99.81% of Manappuram Comptech and Consultants Limited as on March 31, 2024.

Asirvad Micro Finance Limited

During the financial year ended March 31, 2024, AMFL recorded a turnover of ₹ 26,813 millions as compared to the turnover of ₹ 17,152 million recorded during the previous financial year ended March 31, 2023. Revenue from operations for the year ended March 31, 2024, has increased

by 56.33% over the corresponding period ended March 31, 2023. The Net profit of AMFL for the financial year ended March 31, 2024, stood at ₹ 4,583 million as against the Net Profit of ₹ 2,234 million for the financial year ended March 31, 2023. The Profit before tax for the financial year ended March 31, 2024, reflects a growth of 99.93% over the corresponding Profit for the financial year ended March 31, 2023.

Manappuram Home Finance Limited

Gross Income of the Company as on March 31, 2024, is ₹ 2,428.05 million as compared to ₹ 1,657.41 million for the year ended March 31, 2023, and Profit After Tax is ₹ 199.01 million for the year ended March 31, 2024, as compared to ₹ 194.69 million for the year ended March 31, 2023. AUM of the Company as on March 31, 2024, is ₹ 15,096.82 million.

Manappuram Insurance Brokers Limited

MAIBRO has entered a tie-up with the best insurance companies in the market, which helped the Company in providing best quotes and services to its customers. MAIBRO offered best insurance products of insurance companies through new portal and all companies offline.

Gross income of the Company for the year ended March 31, 2024, stood at ₹ 1,051.51 million as compared to ₹ 121.86 million for the year ended March 31, 2023, and Profit After Tax for the year ended March 31, 2024, is ₹ 732.33 million as compared to ₹ 31.51 million for the year ended March 31, 2023.

Manappuram Comptech and Consultants Limited

Manappuram Comptech and Consultants Limited (MACOM) achieved a total revenue of ₹ 531.59 million for the year ended March 31, 2024. The profit after tax for the year ending March 31, 2024, amounted to ₹ 113.80 million, a significant increase from the profit of ₹ 34.27 million reported for the year ending March 31, 2023.

Pursuant to Section 129(3) of the Companies Act, 2013 ('the Act') a statement in Form AOC-1 containing the salient features of the Financial Statement of your Company's subsidiaries is attached with consolidated financial statement which forms part of this report and hence not repeated here for the sake of brevity.

3. Transfer to Reserves

The amounts proposed to be transferred to the General Reserve and Statutory Reserve etc. are mentioned in the Financial Highlights under the heading 'Appropriations'.

During the FY 2023-24, the Company has utilized ₹ Nil with regards to adoption of Ind AS 116 "Leases" from Retained earnings.

The total standalone reserves and surplus as on March 31, 2024 stands at ₹ 1,01,799.81 million

4. Debenture Redemption Reserve

Pursuant to notification issued by Ministry of Corporate Affairs on 16th August, 2019 in exercise of the powers conferred by sub-sections (1) and (2) of section 469 of the Companies Act, 2013 (18 of 2013), the Central Government amended the Companies (Share Capital and Debentures) Rules, 2014.

In the principal rules, in rule 18, for sub-rule (7), the limits with respect to adequacy of Debenture Redemption Reserve and investment or deposits for listed companies (other than All India Financial Institutions and Banking Companies as specified in sub-clause (i)), Debenture Redemption Reserve is not required to maintain in case of public issue of debentures as well as privately placed debentures for NBFCs registered with Reserve Bank of India under section 45-IA of the RBI Act, 1934.

5. Resources

The Company, as an NBFC, mobilization of resources at optimal cost and its deployment in the most profitable and secured manner constitutes the two important functions of the Company. The main source of funding for the Company continues to be credit lines from the banks and financial institutions. Your Company as at March 31, 2024 availed various credit facilities from 28 banks, 1 NBFC (Bajaj Finance), NABARD, Life Insurance Corporation (LIC) and International Finance Corporation (IFC) etc.

Management has been making continuous efforts to broaden the resource base of the Company to maintain its competitive edge. The next important source of funding is the issue of Secured Redeemable Non-Convertible Debentures (NCDs) and ECBs. In addition, the Company also raised funds through the issue of Commercial Papers (CPs).

Your directors are confident that the Company will be able to raise adequate resources for onward lending in line with its business plans.

6. Management Discussion And Analysis

Management Discussion and Analysis Report is attached and forms an integral part of the Annual Report. The report discusses in detail the overall industry situation, economic developments, sector-wise performance, outlook, and state of the company's affairs.

7. Report on Corporate Governance

The Company has been practicing principle of good Corporate Governance over the years. The endeavor of the Company is not only to comply with the regulatory requirements but also to adhere to good Corporate Governance standards that lay strong emphasis on integrity, transparency, and overall accountability. The report on corporate governance forms an integral part of the Annual report.

8. Business Responsibility and Sustainability Report

Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility and Sustainability Report is annexed and forms part of the Annual Report.

9. Director's Responsibility Statement Pursuant to Section 134 of the Act

The Board of Directors, to the best of their knowledge and ability, confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and there is no material departures;
- ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis;
- v. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants, including audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2023-24.

10. Meetings of the Board

During the financial year 2023 - 24, 9 (nine) meetings of the Board of Directors were held. The details of the said meetings and other Committee meetings are given in the Corporate Governance Report.



11. Declaration from Independent Directors on Annual Basis

Your Company has received necessary declarations from all the Independent Directors of the Company confirming that they meet the criteria as mentioned in Section 149 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Your Company has also received undertaking and declaration from each director on fit and proper criteria in terms of the provisions of the Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023.

12. Proficiency of Independent Directors Appointed During the Year

In the opinion of the Board of Directors of the Company, Independent Directors on the Board of Company hold the highest standards of integrity and are highly qualified, recognized, and respected individuals in their respective fields. It's an optimum mix of expertise (including financial expertise), leadership and professionalism. All the Independent Directors of the Company have registered themselves with the Indian Institute of Corporate Affairs ('IICA') towards the inclusion of their names in the data bank maintained with it and they meet the requirements of proficiency self-assessment test.

During the financial year 2023-24, your Company had appointed Mr. T C Suseel Kumar (DIN: 06453310), Mr. Sankaran Nair Rajagopal (DIN: 10087762) and Mr. E.K. Bharath Bhushan (DIN: 01124966) as Independent Directors and in the opinion of the Board of Directors, they possess requisite expertise, integrity and experience including proficiency.

13. Policy on Board Composition & Compensation

The Board of Directors has adopted a policy on director's appointment and remuneration for directors, Key Managerial Personnel and other employees including criteria for determining qualification, positive attributes, and independence of directors as laid down by the Nomination, Compensation and Corporate Governance Committee of the Board in compliance with the provisions of Section 178 of the Companies Act, 2013. The Policy on Board Composition & Compensation is annexed to this report as **Annexure - I** and hosted on the website of the Company at https://www.manappuram.com/sites/default/files/2024-06/Board%20composition%20and%20compensation%20policy_2%284%29_0.pdf

14. Particulars of Loans, Guarantees or Investments

The loan made, guarantee given, or security provided in the ordinary course of its business by a NBFC registered with the Reserve Bank of India are exempt from the applicability of the provisions of Section 186 of the Companies Act, 2013. As such, the particulars of loans and guarantees have not

been disclosed in this Report. For details of investments of the Company, refer to Note no. 11 and 42 of the Standalone Financial Statements.

15. Particulars of Contracts or Arrangement with Related Parties

The contracts/ arrangements/ transactions entered by the Company during the financial year 2023 - 24 with its related parties under Section 188 of the Companies Act, 2013 were in the ordinary course of business and on an arms' length basis. During the year, the Company had not entered any contract/ arrangement/ transaction with related parties which could be considered material in accordance with the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Company's policy on related party transactions. Therefore, particulars of contracts/ arrangements with related parties under Section 188 in Form AOC-2 are not annexed with this report. Your directors draw the attention of the Members to Note. 42 of the Standalone Financial Statement which sets out related party disclosures.

The Policy on determination of related parties and dealing with related party transactions as approved by the Board of Directors of the Company is annexed to this report as **Annexure - II** and also made available on the Company's website at <https://www.manappuram.com/sites/default/files/2024-06/Document-42A.pdf>

16. Dividend

During the fiscal year 2023-24, your Company has declared interim dividends four times at the rate of 0.75 paise, 0.80 paise, 0.85 paise, and 0.90 paise per equity share on May 12, 2023, August 10, 2023, November 13, 2023, and February 07, 2024 respectively. Accordingly, an aggregate of ₹3.30 (Rupees Three and Thirty Paise Only) per equity share, amounting to 165 % of the paid-up value of the shares was paid by the Company as dividend.

The Dividend Distribution Policy as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is made available on the Company's website at the link: https://www.manappuram.com/sites/default/files/2024-05/Dividend%20Distribution%20policy%20Feb%2024_0%282%29.pdf

17. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The information in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134 (3) (m) of the Companies Act, 2013 read with Rule (8) (3) of the Companies (Accounts) Rules, 2014 is attached to this report as **Annexure - III**.

18. Risk Management Policy

The Company has a Risk Management Policy approved by its Board of Directors, wherein material risks faced by the Company including Operational Risk, Regulatory Risk, Price, Interest Rate Risk and Credit Risk are identified and assessed. The Risk Management Committee periodically reviews various risks faced by the Company and advises the Board on risk mitigation plans.

The Board has appointed a Chief Risk Officer (CRO) with a clearly specified role and responsibilities.

Risk Management policy may be accessed on the Company's website at <https://www.manappuram.com/sites/default/files/2023-12/ERM%20Policy%20-%20Aug23.pdf>

19. Corporate Social Responsibility Policy

Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company have been formulated by the Board of Directors based on the recommendation of the Corporate Social Responsibility Committee (CSR Committee). The CSR Policy may be accessed on the Company's website at the link: <https://www.manappuram.com/sites/default/files/2024-06/Document-29C%281%29.pdf>

The Corporate Social Responsibility initiatives taken by the Company during the financial year 2023-24 are detailed in the Report on corporate social responsibility activities and the same is annexed to this report as **Annexure - IV**.

20. Formal Annual Evaluation

The Board of Directors decided to appoint a third party to assist the Board in carrying out the formal evaluation of the Board pursuant to which NASDAQ Corporate solutions was appointed to assist in the evaluation process of its own performance, board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As part of the evaluation process questionnaire on various aspects governing the company was circulated to directors for their individual opinion through electronic mode, thereafter individual telephonic interviews with all directors were carried out as part of the evaluation process and it was ascertained that the company has maintained the highest standards of corporate governance and integrity in all its practices. The Nomination, Compensation and Corporate Governance Committee and the Board of Directors of the Company further considered the observations and have taken necessary measures to implement the suggestions.

21. Details of Remuneration/ Commission received by Managing Director/ Whole time Director of the Company from Subsidiaries

Mr. V P Nandakumar, Managing Director & Chief Executive Officer and Dr. Sumitha Nandan, Executive Director of the Company have not received any remuneration or commission from any of the subsidiaries of the company during the financial year 2023-24.

22. Names of Companies which have Become or Ceased to Be its Subsidiaries, Joint Ventures or Associate Companies During the Year

No company became or ceased to be subsidiary or joint venture or associate company of Manappuram Finance Limited during the Financial Year 2023-24.

23. Audit and Auditors Report

In compliance with the Reserve Bank of India's Guidelines on appointment of Statutory Auditor (s) by Non-Banking Financial Company ("NBFC") vide Circular RBI/ 2021-22/ 25 Ref. No. DoS. CD.ARG/ SEC.01/ 08.91.001/ 2021-22 dated 27th April, 2021 ("RBI Guidelines") and pursuant to Section 139 of the Companies Act, 2013, the Members of the Company appointed M/s. M S K A & Associates (ICAI Firm Registration No:105047W) and M/s. S K Patodia & Associates (ICAI Firm Registration No:112723W) as the Joint Statutory Auditors of the Company at the 29th Annual General Meeting held on 10th September, 2021 to hold office from conclusion of the 29th Annual General Meeting till the conclusion of 32nd Annual General Meeting of the Company to conduct the audit of accounts of the Company on such remuneration plus out of pocket expenses, if any, as may be mutually agreed upon between the Board of Directors of the Company and the said Joint Statutory Auditors. The Joint Statutory Auditors holds a valid peer review certificate as prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Auditors' Report to the Members for the year under review is unmodified, i.e., it does not contain any qualification, reservation or adverse remark or disclaimer, and the notes annexed to the Standalone and Consolidated financial statements referred to in the Independent Auditors' Reports are self-explanatory and do not call for any further comments. Further, the statutory auditors of your Company had reported an instance of fraud that took place in the branch of the Company to the Audit Committee and the Board of Directors of the Company. Subsequently, the Auditors have reported the same to the Central Government under Section 143 (12) of the Companies Act, 2013.

Secretarial Audit

The Board appointed M/s. KSR & Co. Practicing Company Secretaries LLP, to conduct a Secretarial Audit for the



financial year 2023-24. Secretarial audit report for the year ended on March 31, 2024 as provided by M/s. KSR & Co. Practicing Company Secretaries LLP, 7C, Mayflower Signature, No.365/13, Avinashi Road, Peelamedu, Coimbatore - 641004, is annexed to this Report as **Annexure - V**. The report does not contain any qualifications, reservation, adverse remarks, or disclaimer. Further, no fraud has been reported by the Secretarial Auditors under Section 143 (14) of Companies Act 2013.

As per Regulation 24A (1) of the SEBI (Listing Obligation and Disclosure Requirements) 2015, the company does not have any unlisted material subsidiaries.

Information systems Audit

In terms of the Master Direction of the Information Technology Framework for the NBFC Sector, NBFCs are required to have an information system audit at least once a year. In compliance with the RBI Master Direction on the IT framework for the NBFC sector, we are doing the Information Systems Audit at least once every year. Accordingly, your Company has engaged PricewaterhouseCoopers (PwC) to conduct an IS audit for FY 2023-24. The scope of the audit covers inter alia, user access management, patch management, business continuity and disaster recovery, data protection, and the information security management system framework.

24. Directors and Key Managerial Personnel

Mr. Gautam Ravi Narayan (DIN: 02971674) had resigned from the Board of Directors of the Company with effect from April 04, 2023. The Board of Directors of the Company appreciated the guidance and contribution on various matters made by Mr. Gautam Ravi Narayan during his tenure.

The Board of Directors of the Company, based on the recommendation of the Nomination, Compensation and Corporate Governance Committee, had re-appointed Ms. Pratima Ram as an Independent Director of the Company for a second term of 5 (five) consecutive years commencing from April 01, 2024 up to March 31, 2029 (both days inclusive), not liable to retire by rotation, subject to the approval of the Members by way of a Special

Resolution. Accordingly, on December 28, 2023, the members of the company passed special resolutions through postal ballot for the appointment of Ms. Pratima Ram as an Independent Director of the Company for a second term of 5 (five) consecutive years commencing from April 01, 2024 up to March 31, 2029.

The Board of Directors of the Company, based on the recommendation of the Nomination, Compensation and Corporate Governance Committee, had appointed Mr. T.C Suseel Kumar (DIN: 06453310) and Mr. Sankaran Nair Rajagopal (DIN: 10087762) as additional (non-executive)

directors of the Company, to be re-classified as Independent Directors of the Company under Section 161 of the Companies Act, 2013 ("the Act") read with applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Articles of Association of the Company and subject to the approval of Members of the company. Accordingly, on December 28, 2023, the members of the company passed special resolutions through postal ballot for the appointment of Mr. T.C Suseel Kumar and Mr. Sankaran Nair Rajagopal as Non-Executive Independent Directors of the Company to hold office for a term of three consecutive years with effect from November 01, 2023 and January 01, 2024 respectively.

The Board of Directors of the Company, based on the recommendation of the Nomination, Compensation and Corporate Governance Committee, had appointed Mr. Edodiyil Kunhiraman Bharat Bhushan (DIN: 01124966) as additional (non-executive) director of the Company, to be re-classified as Independent Director of the Company under Section 161 of the Companies Act, 2013 ("the Act") read with applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Articles of Association of the Company and subject to the approval of Members of the company. Accordingly, on April 03, 2024, the members of the company passed special resolution through postal ballot for the appointment of Mr. Edodiyil Kunhiraman Bharat Bhushan as Non-Executive Independent Director of the Company to hold office for a term of three consecutive years with effect from March 01, 2024.

There was no change in Key Managerial Persons of the Company during the financial 2023-2024 except for the re-appointment of Mr. V.P Nandakumar (DIN: 00044512) in the annual general meeting of the company held on August 17, 2023, as Managing Director and Chief Executive Officer of the Company with effect from April 01, 2024 up to March 31, 2029.

Further, in accordance with the provisions of the Companies Act, 2013 Dr. Sumitha Nandan (DIN: 03625120), Director, retires by rotation and being eligible, offers herself for re-appointment at the ensuing annual general meeting. Her appointment is placed for approval of the members and forms part of the notice of the 32nd AGM. The information about the Director seeking her re-appointment as per Para 1.2.5 of Secretarial Standards on General Meetings and Regulation 36 (3) of Listing Regulations has been given in the notice convening the 32nd AGM.

25. Share Capital

The issued, subscribed, and paid-up Equity Share Capital as on March 31, 2024 was ₹ 1,692.87 million, consisting of 846,434,729 Equity Shares of the face value of ₹ 2 each, fully paid-up. During the year, your company has issued

and allotted 40,000 Equity Shares of the face value of ₹ 2 each, fully paid-up. As on March 31, 2024, none of the Directors of the Company holds instruments convertible into equity shares of the Company.

Change in Nature of Business if any

There was no change in the nature of business during the financial year 2023-24

26. Deposits

As you are aware, your Company had stopped accepting deposits from the public since the financial year 2009-10 onwards. Your Company has converted itself into a non-deposit taking Category 'B' NBFC. During the financial year 2023-24 the Company has not accepted deposits as per Chapter V of the Act.

The Company has no unclaimed deposit as at March 31, 2024.

27. Compliance with NBFC Regulations

Your Company has generally complied with all the regulatory provisions of the Reserve Bank of India applicable to it. Further, constitution of Statutory Committees is in compliance with the corporate governance provisions as specified in the master direction issued by the Reserve Bank of India.

Your Company's total Capital Adequacy Ratio (CAR), as on March 31, 2024, stood at 30.58% as compared to 31.70% as on March 31, 2023, of the aggregate risk weighted assets on balance sheet and risk adjusted value of the off-balance sheet items, which is well above the regulatory requirement of minimum 15%.

The Tier 1 ratio as on March 31, 2024 is 30.58% as against 31.70 % as on March 31, 2023. Your Company's overall gearing (Debt/ Tangible Net-worth) as on March 31, 2024, is 2.17 as against 2.14 as on March 31, 2023.

The Tier 2 ratio as on March 31, 2024, was Nil.

28. Compliance with Secretarial Standards of ICSI

Company has complied with Secretarial Standards-1 (SS-1) on Board meetings and Secretarial Standards-2 (SS-2) on General meetings issued by the Institute of Company Secretaries of India.

29. Qualification, Adverse Remarks Reservations by Auditors If Any

There are no qualification, reservation or adverse remark or disclaimer by Statutory Auditors in the Independent Auditors Report and Secretarial Auditors in the Secretarial Auditors Report.

30. Employee Stock Option Scheme (ESOS)

To retain the best available talent, ensure long term commitment to the Company, and encourage individual ownership, the Company has instituted employee stock options plans from time to time.

Presently, the Company has the Employee Stock Option Scheme 2016 (ESOS-2016).

The disclosures in terms of 'Guidance note on accounting for employee share-based payments' issued by ICAI and diluted EPS in accordance with Indian Accounting Standard (Ind AS) 33 - Earnings Per Share are provided in Note 37 of Standalone Financial Statements in this Annual Report.

The details related to stock option schemes as required under the SEBI (Share Based Employee Benefits) Regulations read with the Securities and Exchange Board of India Circular No. CIR/CFD/POLICY CELL/2/2015 dated 16th June 2015 are provided in Note. 37 of the Standalone Financial Statements. Further, the details are annexed to this report as **Annexure - VI** and also made available on the Company's website at <https://www.manappuram.com/annual-reports>

A certificate from KSR & Co. Practicing Company Secretaries LLP, Practicing Company Secretaries, confirming that ESOS 2016 has been implemented in accordance with the SEBI (Share Based Employee Benefits) Regulations and the respective resolutions passed by the Company in General Meetings would be placed in the ensuing Annual General Meeting for inspection by the Members.

31. Disclosure

Composition of the Corporate Social Responsibility Committee and Audit Committee are detailed in the Corporate Governance Report.

32. Whistle Blower Policy and Vigil Mechanism

The Vigil Mechanism of the Company provides adequate safeguards against the victimization of any directors or employees or any other person who avail the mechanism and provides direct access through an e-mail, or dedicated telephone line or a letter to the Chairperson and a Member of the Audit Committee.

No person has been denied access to the Chairman and a Member of the audit committee. The company has ensured that its employees are aware of the content and procedure of the policy and fully protected. The Whistle Blower Policy and Vigil Mechanism may be accessed on the Company's website at the link: <https://www.manappuram.com/sites/default/files/2024-06/whistle%20blower%20policy%202022%20%281%29%284%29.pdf>



Further, there were no complaints reported during the financial year 2023-24.

33. Extract of Annual Return

In accordance with the provisions of Section 92(3) of the Act, Annual return in Form-MGT - 7 has been uploaded in the website of the Company at the link <https://www.manappuram.com/mgt-07-annual-reports>

34. Details of Adequacy of Internal Financial Controls and Internal Audit

During FY 2023-24, our Company continued to maintain a robust and well-defined Internal Control System and Internal Financial Control (IFC) mechanisms that are commensurate with the size, scale, and complexity of its operations. These controls are designed to ensure the safeguarding of the Company's assets and to facilitate efficient and effective business operations.

Our internal control system encompasses a comprehensive framework of policies and procedures that ensure all transactions are authorized, recorded, and reported accurately. Further, the Company is taking efforts in its IT initiative to strengthen the audit trail in respect of database level controls. The Internal Financial Controls of the Company have been reviewed periodically throughout the year by both the management and the Audit Committee. These reviews covered all key areas of the Company's operations and were subject to various statutory and internal audits to assess the adequacy and strength of the IFC. Based on these assessments, it has been confirmed that the internal financial controls are strong, adequate, and effectively operating, with no major concerns identified. These controls ensure the orderly and efficient conduct of business operations, including adherence to the Company's policies, safeguarding of assets, prevention, and detection of frauds and errors, accuracy, and completeness of accounting records, and timely preparation of reliable financial information.

In alignment with the RBI Circular - RBI/2020-21/88 (Ref. No. DoS. CO. PPG. /SEC.05/11.01.005/2020-21) dated February 3, 2021, the internal audit policy has been upgraded to a Risk-Based Internal Audit Policy. The internal audit function has been realigned according to this policy to enhance the focus on key risk areas and ensure comprehensive coverage of significant processes and compliances.

The Company's internal audit department operates in-house and performs continuous audits across various business

verticals. This department is responsible for identifying gaps and recommending corrective actions to enhance the control environment. Additionally, M/s. Deloitte has conducted co-sourced internal audit services. Their role includes assisting the management in appraising the internal control functions, recommending process improvements, and highlighting significant observations. Their reports, along with management responses, are periodically reviewed by the Audit Committee and the Board, ensuring that necessary actions are taken promptly.

In conclusion, the internal financial controls and internal audit mechanisms of the Company for FY 2023-24 have been adequate and effective in managing and mitigating risks. Continuous monitoring and improvement of these controls ensure the integrity and reliability of the Company's financial reporting and operational processes. The Board and management remain committed to maintaining a strong internal control environment to support the Company's long-term growth and success.

35. Listing with Stock Exchanges

Your Company confirms that it has paid the Annual Listing Fees for the financial year 2023-24 to BSE Limited and National Stock Exchange of India Limited where the Company's securities are listed.

36. Sexual Harassment of Women at Workplace

During the year 2023-24 under review, there were two (2) complaints filed with the Internal Complaints Committee of the Company, pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the same were investigated and resolved. No complaints were pending for more than 90 days during FY 2023-24.

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

37. Consolidated Financial Statements

In accordance with the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Indian Accounting Standard (Ind AS) 27 on Consolidated Financial Statements, the audited consolidated financial statement is provided in the Annual Report.

38. Credit Rating

The credit rating of the Non-Convertible Debentures, Short-term & Long-term Bank Facilities and Commercial Paper of the Company as on March 31, 2024, was as follows:

Domestic Credit Ratings:

Name of Rating Agency	Instruments	Ratings
CRISIL	Bank Loan Facility - Long term	CRISIL AA/ Stable
	Bank Loan Facility - Short term	CRISIL A1+
	Non-Convertible Debenture	CRISIL AA/ Stable
	Commercial Paper	CRISIL A1+
CARE	Bank Loan Facility - Long Term	CARE AA ; Stable
	Bank Loan Facility - Short Term	CARE A1+
	Non-Convertible Debentures	CARE AA ; Stable
	Commercial Paper	CARE A1+
BRICKWORK	Non-Convertible debentures	BWR AA (Stable)

International Credit Ratings:

Name of Rating Agency	Ratings
Fitch Rating	BB - /Stable
S&P Global Ratings	BB - /Stable/ B

39. Details of Auctions Held During the Year 2023-24

Additional disclosures as required by Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.

Year	Number of Loan Accounts	Principal Amount outstanding at the dates of auctions (A) (₹ in million)	Interest Amount outstanding at the dates of auctions (B) (₹ in million)	Total (A+B) (₹ in million)	Value fetched (₹ in million)
March 31, 2023	198782	7721.21	1881.57	9602.78	9790.01
March 31, 2024	54333	2286.44	872.03	3158.47	3174.49

Note: No sister concerns participated in the auctions held during the financial year ended on March 31, 2023 and March 31, 2024.

40. Particulars of Employees and Related Disclosure

The particulars of employees and related disclosures are annexed herewith as **Annexure - VII** as per Section 197 of the Act.

41. Certificate on Corporate Governance

Certificate provided by KSR & Co., Practicing Company Secretaries LLP, Indus Chambers, Ground Floor, No. 101, Govt. Arts College Road, Coimbatore - 641018 towards compliance of the provisions of Corporate Governance, forms an integral part of this Report and is given as **Annexure - VIII**

42. 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 are no significant and material orders passed by the regulators or courts or tribunals during the year under review that would impact the going concern status of the Company and its future operations.

43. Material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year to which the financial statement relates and the date of the report.

There were no material changes and commitments, affecting the financial position of the Company which occurred between the end of the financial year of the Company and the date of the Directors' report.



44. Maintenance of Cost Records

The provision of Section 148 of the Act relating to maintenance of cost records and cost audits is not applicable to the Company.

45. Acknowledgement

Your directors express sincere appreciation and gratitude to the employees of the Company at all levels for their dedicated service and commitments, to the Reserve Bank of India, Rating Agencies, Stock Exchanges, Debenture Trustees, RTA's, Depositories, Central and State Governments and its statutory bodies for the support, guidance, and co-operation. Your directors wish to thank the Customers, Investors, Shareholders, Debenture holders, Bankers, Auditors, Scrutinizer and other financial institutions and other stakeholders for the wholehearted support and confidence reposed on the Company.

For and on behalf of the Board of Directors

Sd/-

Shailesh J Mehta

Chairman

DIN: 01633893

Place: Valapad
Date: May 24, 2024

Annexure - I

POLICY ON BOARD COMPOSITION AND COMPENSATION.

(Last reviewed by the board on 25th September 2023)

We, at Manappuram, believe that the best governance practices starts from the board and its composition. We also believe that the synergy of individuals with diverse backgrounds and skillsets at the board level has contributed a lot in bringing this Company to its present heights. Therefore, our commitment to have a competent and highly professional team of board members is an important objective and we seeks to achieve this objective through appropriate policy and procedures which among other things covers the identification and retention of ace professionals as our Board members. In line with the statutory requirement under sections 149 and 178 of the Companies Act, 2013, the provisions of Listing Obligations & Disclosure Requirements Regulations, 2015 (LODR) and the regulatory frame work for Non-Banking Financial Companies (NBFCs) issued by Reserve Bank of India(RBI), latest being issued on the 19 October 2023, the following policies are adopted for the time being to act as the guiding principles in the appointment of Directors and the matters connected therewith.

I) Definitions

Unless the context otherwise requires, the following words and expressions shall have the meaning provided herein.

- i. **Board**- means the collective body of Directors of the Company
- ii. **Committee**- means the committees of Directors constituted by the Board
- iii. **Director**- means a Director appointed on the board of the Company.
- iv. **Fit and proper**- means the fit and proper criteria prescribed the Reserve Bank of India as an eligibility requirement to be satisfied by an individual to be appointed as a Director of the Company.
- v. **Independent Director**- means an Independent Director referred to in 2(47) of the Companies Act, 2013 and read with Regulation 16(1)(b) of LODR.

Provided that an individual shall be eligible to be appointed as an Independent Director only if his/her name is included in the databank specified in Section 150 of the Companies Act 2013¹
- vi. **Nomination Committee (NRC)**- means the Nomination Compensation and Corporate Governance Committee of the Board.

II) Policy statements:

1. Board Diversity

- 1.1 The board of Directors of the Company should have a fair combination of executive and non-executive Directors with not less than 50 percent being Non-Executive Directors.

The Company shall maintain the strength of Independent Directors on its board keeping in mind the regulatory requirements and guidelines on Corporate Governance as per the LODR with the stock exchanges issued from time to time. The ratio of Independent Directors as per the present requirement is one third of the total strength of the board where the board is headed by a Non-Executive chairman and at least half of the Board's strength in case the board is not headed by a regular non-executive Chairman.²

- 1.2 The Board shall have at least one Women Independent Director.
- 1.3 The Independent Director to be appointed on the board shall not hold Directorships in more than 7 listed companies at the same time. However in the event of such companies being NBFCs the limit will be capped at 3 as prescribed in the SBR Master Circular of RBI and is covered under para 3.9 below.
- 1.4 The vacancy caused by the demitting of office by an Independent Director in any manner shall be filled within a period of 3 months. However, this requirement will not be applicable in cases where the vacancy will not affect the minimum required strength of Independent Directors set under this policy or as per the statutory provisions/regulatory requirements.

The Company shall appoint Directors keeping in mind an ideal diversity in knowledge or expertise that could add value to the overall performance of the board and of the Company. The desired diversity may be fixed by the Nomination committee based on the nature of business of the Company from time to time.

- 1.5 Process for sourcing, screening and selection of Board Members
- 1.6 Identification of vacancies: The Board will identify the vacancies considering impending retirements/resignations and other requirements.
- 1.7 Basic criteria: Qualified to be appointed as per SEBI and RBI directive in force.

¹As per sub-rule (1) & (2) of Rule (6) Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019, Independent Directors shall be registered with data bank maintained by the Indian Institute of Corporate Affairs at Manesar and should be qualified /exempted from the requirement of online proficiency test as provided under Sub Rule (4) of rule (6) of Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019. Director shall ensure that the registration has not been expired during the period of holding independent Directorship of the Company and shall submit a declaration to that effect along with the disclosure under 149 (7) to the Board every year or if there is any circumstances affecting the independence as provided under Section 149(6).

²While calculating the number of required Non-executive and independent directors' conservative approach should be taken and if required number result in fraction number because of the prevalent strength of the board, then next whole number should be taken as the requirement.



- 1.8 Experience : Candidates to be successful professionals having spent considerable length of time in their chosen profession/field of expertise in leadership roles, such as Financial services, Law and Accounting practice, Technology, HRD, Regulatory practices and marketing. Minimum 3 Years of Experience as Board Member of medium/large companies
- 1.9 Sourcing: prospective candidates will be sourced as below; Reference from existing members of the Board from among their network In the event no candidates are available through the aforesaid route by appointing a professional search firm by the Board
- 1.10 Selection: Names proposed will be vetted by a selection committee set up by the Board. The committee will meet the prospective candidates will recommend candidate/s for filling the position to the Board for further process. Depending on the references and profile of the candidates reviewed wherever deemed fit the Committee may recommend more than one candidate to the Board. .
- 1.11 Wherever found necessary, in the opinion of the members of the committee a third party search may be carried out before on boarding the candidate.
- 1.12 Tenure: Initial term of 3 to years, at the discretion of the Board of Directors and can be considered for reappointment at the discretion of the Board for a similar term on expiry of the initial term.
- 1.13 On selection of an Independent Director, the Chairman of the Board/ Managing Director shall issue a letter of appointment to the Director and he shall also sign a deed of covenants in such format as may be prescribed by RBI.
- 1.14 Considering the need for professional experience in managing the affairs of a Company, at least one of the directors should have relevant experience of having worked in a bank/ NBFC.

Notwithstanding anything contained in the above clauses, composition of the Board should always adhere to following guidelines:

- i. Board members are competent to manage the affairs of the company.
- ii. The composition of the Board has a mix of educational qualification and experience within the Board.
- iii. Specific expertise of Board members should be a prerequisite depending on the type of business pursued by the Company.

2. Familiarization & Skill enhancement program for Directors

- 2.1 The Board may on the recommendation of the Nomination committee devise a familiarization program for Directors so as to give a fair understanding about the Company, its

business and the general industry environment in which the Company and its subsidiaries are operating. This may be arranged by way of interactive sessions with Chairman of the Board, Senior Directors, Managing Director and other Key management personnel of the Company. In addition, the board may put in place an induction manual for Directors as it may deem fit.

- 2.2 A newly appointed Non-Executive Director may be given the opportunity to familiarize himself with the Company.
- 2.3 In addition to the familiarization program, the board may, if it thinks so, organize director's skill refreshment programs or workshop on topic relevant to the Directors/Company or nominate to programs organized by industry associations professional bodies

3. Assessment of independence & Fit and proper criteria.

- 3.1 While considering the appointment of an Independent Director, the Nomination committee and the board shall ensure that the incumbent satisfies the test of independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligation and Disclosure Requirements) 2015. The board shall on a continuous basis ensure that the Independent Directors continue to maintain their independence during their tenure on the board.
- 3.2 To achieve the above objectives, the board may obtain proper declarations from the appointee/ Directors at the time of appointment and at such intervals as the board may deem fit.
- 3.3 In case of appointment of executive Directors, non-executive Directors or Independent Directors, the Nomination committee and the board shall ensure that they meet the fit and proper criteria prescribed by the Reserve Bank of India from time to time and maintains the position during their tenure in office. The Company shall obtain the declarations in the manner prescribed by RBI as applicable to the Company from time to time from all appointees and review the same.
- 3.4 The Board and the Nomination Committee shall undertake a process of due diligence at the time of appointment/ reappointment to determine the suitability of the person for appointment/continuing to hold appointment as a director on the Board, based upon qualification, expertise, track record, integrity and other 'fit and proper' criteria. The company shall obtain necessary information and declaration from the proposed / existing directors for the purpose in the format given at Annexure C.
- 3.5 All the declarations made by the directors at the time of appointment/reappointment shall be scrutinized by the Nomination Committee.

- 3.6 Based on the information provided in the signed declaration, the Nomination Committee shall decide on the acceptance or otherwise of the Directors, where considered necessary.
- 3.7 The company shall obtain annually as of 31st March a simple declaration from the Directors that the information already provided has not undergone change and where there is any change, requisite details are furnished by them forthwith.
- 3.8 The board shall ensure that nominated/elected Directors execute the Deeds of Covenants in the format given in Annexure B. and any other covenants that the Board may approve during the tenure of the Director appointed .
- 3.9 An independent director shall not be on the Board of more than three NBFCs (NBFC- ML or NBFC-UL) at the same time at the time of on boarding with effect from 31 October 2022. This condition will not apply to existing Independent members on the board until 1 October 2024 as prescribed under SBR of RBI
- 3.10 Conflict of interest: The committee and the Board shall examine in detail any conflict of interest and appointment will only be made upon satisfaction that there is no conflict arising out of their independent directors being on the Board of another NBFC at the same time.
- 3.11 The Committee and the Board shall review the position of any existing or new conflict of interest annually at the time of review to ensure that there is conflict of interest in the continuation of any member of the Board.
- 3.12 In the event of the Board at any point in time feels that there is a conflict of interest with any existing members during his/her tenure the Board may take appropriate steps to remedy the same
- 3.13 If any director intends to associate with any other NBFC with similar business profile (particularly gold loan business), he/she shall immediately intimate to the board of his/her intention of making such association so that Board has reasonable time to assess his/her conflict of interest on attaining such association.
- 3.14 Mafil has extensive borrowing relationships with almost all the leading Banks in India. Commonality of Directorships with any Bank is likely to impede timely flow of working funds from such Bank/s to the Company due to regulatory directions in respect of credit sanction by a Bank in such a situation leading to changes in Bank's internal approval chain and delays. As the seamless flow of working funds is important, the company shall refrain from considering any candidates for on-boarding as a Director any prospective candidate who is already serving on any Bank Board or any subsidiary/group company Board. In the event of any candidate joining after leaving a Bank board with whom the company has borrowing relationships, such induction shall be effective after a cooling period of 3 Months from

the date of exit from the Bank Board. In case any serving member is desirous of joining any Bank Board/Subsidiary or Group Company Board such member may exercise choice between the Company and the Bank with due similar notice of three months to the Company

- 3.15 Key Managerial Personnel - Except for directorship in a subsidiary, Key Managerial Personnel shall not hold any office (including directorships) in any other NBFC-ML or NBFC-UL. It is clarified that they can assume directorship in NBFC-BLs.

4. Age and tenure of Independent and non-executive Directors.

- 4.1 The Independent Directors appointed to the Company will have tenure of 3 to 5 years as may be decided by the Board. They may be considered for reappointment for another term of 3 to 5 years in compliance with the applicable provisions of the Companies Act,2013
- 4.2 The Company shall select persons normally with the maximum age of 75 years and the minimum age as prescribed by the provisions of Companies Act, 2013, LODR and direction/guideline from RBI from time to time, for new appointments to the position of Independent Directors and non-executive Directors. No listed entity shall appoint a person or continue the Director ship of any person as a non-executive Director who have attained the age of seventy-five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person.

5. Review of performance of Independent Directors

- 5.1 The Nomination committee and the board shall put in place a mechanism for the review of the performance of each Independent Director and other non-Executive Directors.
- 5.2 A review of performance shall be undertaken once in a financial year, preferably before the next Annual General Meeting.
- 5.3 Based on the review of performance, the Nomination and Remuneration committee may recommend for the continuance, re- appointment or removal of Directors.

6. Compensation of Executive and Non-Executive Directors.

- 6.1 On the recommendation of the Nomination Committee, the board will fix the remuneration of Non-Executive Directors (including Independent Directors).

The approval of shareholders by special resolution shall be obtained every year, in which the annual remuneration payable to a single Non-Executive Director exceeds fifty percent of the total remuneration payable to all Non-Executive Directors, giving details of the remuneration thereof.



- 6.2 Non-Executive Directors other than nominee Directors shall be entitled for sitting fees for attending board/ committee meetings at such rate as may be approved by the board from time to time.
- 6.3 In addition to the sitting fees, the Company will bear or reimburse the normal travelling, boarding and lodging expenses of Directors incurred for the purpose of attending board/ committee meetings or for attending any other duties on behalf of the Company.
- 6.4 Subject to the compliance with the provisions of Companies Act, 2013, the board may on the recommendation of the Nomination committee after considering the profitability of the Company for each financial year approve the payment of an annual commission payable to each non-executive (other than nominee Directors) / Independent Directors of the Company for each financial year or part thereof.
- 6.5 Where a Director has left the Company before the completion of a financial year or before approving the payment of commission by the board, the board may in its absolute discretion sanction such amount as commission to such Director for his services during the period for which the commission was fixed.
- 6.6 Remuneration of executive Directors shall be fixed by the Board on the basis of the recommendation of the Nomination committee. The remuneration of the executive Directors shall be a combination of fixed monthly salary in terms of their appointment as approved by the board/ shareholders, as required, and a performance based annual commission to be decided by the board on the recommendation of the Nomination committee.

The fees or compensation payable to executive Directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if-

- (i) the annual remuneration payable to such executive Director exceeds rupees 5 crore or 2.5 per cent of the net profits of the listed entity, whichever is higher; or
- (ii) where there is more than one such Director, the aggregate annual remuneration to such Directors exceeds 5 per cent of the net profits of the listed entity:

Provided that the approval of the shareholders under this provision shall be valid only till the expiry of the term of such Director.

Explanation: For the purposes of this clause, net profits shall be calculated as per section 198 of the Companies Act, 2013

- 6.7 The performance parameters to be applicable to the executive Directors, the minimum and maximum amount of commission payable in line with the achievement of various targets/ parameters will be decided by the Nomination committee from time to time.

7. Succession planning for appointment to board and senior management positions.

- 7.1 The board may identify suitable persons to be appointed to the board positions for filling up vacancies.
- 7.2 The vacancies caused by the exit of an Independent Director may be filled by the appointment of an Independent Director. However, if the vacancy does not affect the strength of the minimum required Independent Directors, the board may or may not fill the vacancy as it may deem fit.
- 7.3 Suitable candidates may be identified by the Directors from reputable references or from data banks maintained by industry associations, professional bodies or nongovernmental organizations or by inviting applications through any media.
- 7.4 Vacancies in senior positions in the Company may be filled by a system of promotion of existing employees based on appropriate screening procedures set by the Nomination committee from time to time. Wherever felt necessary filling senior positions may be resorted to with the prior approval of the NRC/Board
- 7.5 Company may identify critical positions and shall devise a system of proper mentoring to identify officers of the Company to take up the senior positions wherever a vacancy is caused to ensure the business continuity and as part of succession planning exercise in the best interest of the Company.

8. Compensation plan for Key Management personnel (KMPS) and their senior management team members

In accordance with the regulatory requirements the Company has proposed a compensation policy as attached as **Annexure A** to this policy. The policy will be applicable to KMPs including Whole time Directors and Senior Management personnel (SMPs)

9. Applicability of Laws/ regulations/ guidelines

Changes in underlying laws/ regulations or guidelines may supersede the provisions of this policy. At any time if there is any amendment to the applicable laws or regulations or guidelines affecting the provisions of this policy, the policy shall be deemed as amended to the extent applicable and the amended provisions will take effect from the date of Change in the underlying laws/ regulations or guidelines.

10. Applicability of the policy

The policy shall become effective from the date on which it is approved by the board.

11. Amendment to the policy.

The provisions of this policy may be amended by the board at any time on the recommendation of the Nomination committee.

Annexure A

COMPENSATION POLICY

(Applicable for Key Managerial Personnel (KMPs) and Senior Management Personnel (SMPs) and Other Employees)

Policy effective from: This compensation Policy is effective for the financial year 2023/24 and onwards.

Background

RBI has issued a circular DOR.GOV.REC.No.29/18.10.002/2022-23 dated 29th April 2022. The circular provides broad guidance to NBFCs in formulating and governing the compensation for Key Managerial Personnel (KMP) and Senior Management personnel (SMP). This compensation policy is being defined to be in-compliance with the guidelines issued.

1. Objective of the policy

The policy seeks to achieve the following objectives.

- To establish guidelines for remunerating employees fairly and in alignment with the applicable laws and regulations.
- To determine a level of compensation based on the Company's business outlook, financial position, growth and trends and practices on remuneration prevailing as the best practices in competitive compensation based on fairness and equity.
- To align reward and recognition mechanism directly to the effort, commitment, performance, dedication, and achievement relating to the Company's operations
- To attract, retain, motivate, and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To 'Pay for Performance' i.e., the compensation shall be linked to the performance and to strike the right balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the goals of the company.
- To ensure compliances and maintain high standards of governance.

In the context of the aforesaid, the following policy has been formulated.

2. Scope of the policy

This Policy is applicable to all Key Managerial Personnel (KMPs) including MD &CEO, Executive Director and other members of the Key Managerial Personnel, Senior Management personnel (SMPs) of the Company (together referred to as "Covered Employees").

3. Definition(s)

- "Key Managerial Personnel" (KMP) as defined in section 2(51) of the Companies Act, 2013("the Act") means:

- the Chief Executive Officer or the Managing Director.
- the Company Secretary.
- the Whole-time Director.
- the Chief Financial Officer.
- such other officer, not more than one level below the CEO who is in whole time employment, and designated as Key Managerial Pommel by the Board: and
- such other officer as may be prescribed.

3.2. "Senior Management" shall mean officers/personnel of the Company who are members of its Core Management Team and are specially designated by the management with the approval of the NRC/Board and may include all members of management one level below the chief executive officer/ managing director/whole-time director and who does not come under the KMPs.

3.3. Nomination, Remuneration and Corporate Governances Committee ("NRC") shall mean a committee of the Board having the constitution, powers, functions, and duties as laid down in section 178 of the Companies Act, 2013, applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, RBI Guidelines and other applicable legal provisions.

3.4. A "malus" arrangement shall mean where the Company prevents the vesting of all or part of the amount of a deferred remuneration/Benefit.

3.5. A "clawback" arrangement shall mean a contractual agreement between the Covered Employees and the Company in which the Covered employee agrees to return previously paid or vested remuneration to the Company under certain circumstances or empowers the Company to recover previously paid or vested remuneration by the company under certain circumstances.

3.6. "Retention period" shall mean a period of time after the vesting of instruments which have been awarded as deferred compensation during which they cannot be sold or accessed.

4. Underlying Principles for the policy.

The policy is prepared based on certain specific principles in the context of our operations as detailed below.

- To align the compensation with the long-term interests of the Company and its shareholders/stake holders
- To be transparent as far as possible simultaneously ensuring less complexity.



- Align the parameters to annual business performance of the company.
- To ensure meritocracy and is linked to key performance and business drivers.
- Reflective of market competitiveness so as to attract the best talent.

5. Compensation Structure

The broad structure of compensation payable to Covered Employees shall be as under:

5.1 Fixed pay :

Fixed pay has components like basic salary & other allowances as per the grade and position fixed by the Company. Benefits such as company provided car, medical & dental reimbursement, subsidized loans, insurance benefits, vehicle fuel and maintenance expenses, club membership, mobile instruments, etc., as per the Policy of the Company also forms part of the pay also may come under the fixed pay. Retirals such as PF, Gratuity & contribution towards pension fund etc. which are mostly statutory and may form part of the fixed pay coming within the Cost to company computation.

5.2 Variable Pay

Cash component :

- a) Annual component - based on individual performance against Key Performance Indicators (KPIs) agreed between the employee concerned and the Company which shall be made operative subject to overall company's performance being in line with budgetary objectives. While the KPIs will be set by the NRC in respect of Whole time Directors, KPIs in respect of KMPs and SMPs who are subject to variable pay shall be fixed by MD & CEO in consultation with NRC. Such amounts are paid in cash at the end of the review period to the concerned employee and will be based on the assessment with the approval of the NRC/ Board
- b) Joining / sign-on bonus for new KMP / Relocation incentive/severance pay etc. Such payments are paid in cash or reimbursement wherever applicable as per the rules of the company applicable.
- c) Deferred annual compensation: Certain portion of the performance based variable pay, (Annual component) as decided by NRC/Board, may be deferred. Such deferral may be made applicable to cash and non-cash components of variable pay. The quantum and the deferral period of such deferral arrangement may be decided by the NRC/ Board. Conditions applicable for the payment of such deferrals including in the event of severing relationship with the company, any unforeseen events associated with the beneficiary of the payment may be decided by the NRC/Board. The vesting of deferred

cash component of variable pay would continue as per schedule decided by the NRC/Board at the time of deferral even after separation of the employee from the services of the company except in the event of this separation being on account of Malus or Claw back provisions being applicable.

In the event of death or permanent disability of the individual unvested portions of variable pay will vest immediately except in situations where provisions of Malus / Clawback as applicable will apply.

- d) Employee Stock Options (ESOP) granted under approved ESOP schemes of the Company with attendant conditions and vesting schedule post the grant. .
- e) Restricted stock unit (RSU) : Involving awarding of shares, as a form of employee compensation with attendant conditions to be met by the employee concerned. Such RSUs are issued to employees through a vesting plan and distribution schedule after they achieve required performance milestones or upon remaining with their employer or a particular length of service etc. The company do not have any existing arrangement to issue RSUs and in the event of any such arrangement being sought it shall be with the prior approval of the NRC/Board.

5.3 Principles and procedures applicable for Variable pay

- a) Variable pay as a proportion of total remuneration increases as roles and responsibilities increase.
- b) The percentage distribution of total remuneration could vary basis roles and responsibility and performance in a given financial year
- c) Wherever any employee is paid a variable pay it shall be subject to well- defined performance indicators clearly articulated with the employee. Such KPIs shall clearly link the performance with the total remuneration paid to an individual. This is shared at the start of the year with KMP and members of senior management Personnel(SMP).
- d) The annual performance management process of the company gets initiated at the start of the financial year with goal setting. At the end of the year, the individual is evaluated on the performance delivered basis individual, business/ function unit's and company's performance. In addition, the individual is also rated on leadership demonstrated during the year.

5.4. Procedure for application of Variable pay to Individual cases.

At the beginning of each accounting year Management in consultation with NRC shall devise the detailed sets of KPIs applicable to employees being considered for payment

of variable pay (in cash or non-cash) along with the parameters applicable to each employee. The exercise will cover, besides setting goals/KPIs for the year under review, the quantum of variable pay in cash, the portion of variable pay to be considered for deferral, the non-cash component of variable pay (ex. ESOP etc.) applicability of Malus. Clawback etc within the overall ratio of fixed versus variable pay prescribed in the policy/regulations. Accordingly the final KPI will be signed off by the Management with the employee individually.

At the end of the accounting year (review year) management through the reporting authority will carry out the assessment of performance of individual employee vis a KPIs assigned and signed off at the beginning of the year. This exercise by the reporting authority/s will determine the final amount of the variable pay for the year and the split between cash, non-cash and also the portion of the amount subjected to deferral, claw back and Malus, the period for which these will prevail. The amount so decided will be communicated to the employee.

6. Compensation for Control and assurance function personnel:

- a) The goal setting and performance appraisal process of the company ensures that KMPs and senior management engaged in financial control, risk management, compliance and internal audit have performance measures that are independent of the business areas they oversee.
- b) The RMC and Audit committee of the Board reviews their performance independently and advises the company on their performance which in turn results in the variable part of their compensation.

7. Responsibilities of NRC:

- a) As per Regulatory norms applicable, the Board of the company has constituted a Nomination, Compensation and Corporate Governance Committee (NRC) with its role, scope and constitution being defined and approved by the Board.
- b) One of the responsibilities of the NRC is to oversee the framing, review, and implementation of the compensation policy of the Company.
- c) NRC shall recommend to the Board all remuneration, in whatever form, payable to KMPs and Designated Senior management personnel (SMPS).
- d) NRC shall ensure that related RBI Guidelines pertaining to the composition.

and other conditions applicable as per RBI guidelines are be made applicable while determining the compensation of the KMPs and SMPS, including but not limited to the following conditions:

- The compensation shall achieve a fine balance between the attractiveness for the concerned employee on the one hand and profitability & capital adequacy of the Company on the other hand.
- For all reimbursements, which are part of the fixed pay, there should be a monetary limit specified in the internal grade-wise policies of the Company.
- The proportion of variable pay vis a vis Fixed pay shall be dependent on the level of the employee, roles they carry.
- Any variable pay will be subject to delivery of Key Performance indicators as decided by the NRC/Board. Such KPIs will be set at the beginning of the financial year after due discussion with the concerned officer.
- Care shall be taken to ensure that critical control functions are not rewarded for business performances.
- NRC in consultation with the Board shall also determine representative set of situations for invoking the malus claw back arrangements as detailed separately in this policy under para;

7. Malus and Clawback provisions. :

7.1. Malus: A malus is a feature of a remuneration arrangement that reduces the amount of a deferred incentive/ bonus, so that the amount of the payout is less than the amount of the bonus/incentive awarded. Accordingly once Malus is invoked/triggered the amount of the payout is less than the amount of the incentive. Examples are stock options granted and is waiting to be vested. Malus arrangement does not reverse a vested right after it has already occurred.

7.2. The term clawback or claw back refers to any money or benefits that have been given out but are required to be returned (clawed back) due to special circumstances or events, such as the monies having been received as the result of a defined event triggered due to a clawback provision in the compensation.

This policy proposes to make the variable (in full or part) part of the compensation subject to Malus /Clawback arrangement. While a malus arrangement permits the company to prevent vesting of all or part of the amount of a deferred remuneration and clawback, on the other hand, is a contractual agreement between the employee and the Company in which the employee agrees to return previously paid or vested remuneration to the bank under certain circumstances.

7.3. Applying of Malus / Clawback arrangement on entire or part of variable pay on occurrence of the following Situations: • identified fraud / misconduct by the executive (whole-time directors, Chief Executive Officers / Material Risk Takers (MRTs)) pertaining to the corresponding period for which the clause to be applied. Malus & Clawback awards of variable pay will be subject to ex-ante / ex-post risk based assessment, on an annual basis at the time of



allocation / vesting. 'Malus' (the reduction or cancellation of unvested awards) or 'Clawback' (recovery of payments already made) shall be implemented as under;

The Company shall, as a matter of principle prior to any action under this provision, will ensure due regard to the Principles of fairness and Natural Justice in the administration of the process of implementing the provisions.

8. Circumstances under which application of Malus and Clawback is to be considered:

Variable pay part of Compensation will be subject Malus and Clawback arrangements in the event of occurrence or circumstances as detailed below;

NRC may duly take into consideration factors that were within control of the person (the subject employee), and/ or beyond reasonable control on account of conditions such as macro events, market conditions, industry performance, changes in legal/regulatory requirements, force majeure events like occurrence of natural disasters, pandemic, other socio-economic conditions etc in administering the Malus and clawback provisions.

Certain instances of such events (not exhaustive) are given below;

- a) Material breach of company's Code of Conduct, any Non-Disclosure Agreement, regulatory procedures, internal rules and regulations or any other such instance for which the NRC, in its discretion, deems it necessary to apply Malus or / and Clawback provisions.
- b) Fraud, breach of trust, dishonesty, or wrongful disclosure by the employee of any confidential information
- c) Willful misinterpretation / misreporting of financial performance of the company
- d) Any misconduct pertaining to moral turpitude, theft, misappropriation, corruption, forgery, embezzlement or of criminal nature.
- e) Non-disclosure of material conflict of interest by the employee or any misuse of official powers
- f) An act of willful, reckless, grossly negligent conduct which is detrimental to the interest or reputation of the company.
- g) Malus may also be applied in the situation of significant deterioration of financial or risk. performance from one financial year to the next. a) The performance measures defined as part of goal setting process of the company, business threshold metric and sustainable business strategy framework would form the primary

considerations for evaluating the application of Malus in this condition

- h) Any events such as relating to information security events, fraud, consumer abuse, regulatory inspection observations (including awarding of lower (adverse) grades by the regulator) resulted on account of lack or deficiency or inadequacy of oversight by the subject person
- i) Any other events in the opinion of NRC/Board that has resulted in significant financial and or reputational loss
- j) Above events are to be considered by the NRC for application of Malus and Clawback where. they result in significant loss to the company or its shareholders.
- k) Circumstances that may trigger Malus or Clawback provisions will be reviewed periodically by the NRC.

10. Application of Malus & Clawback provisions

- a) NRC will review the requirement to invoke the Malus or Clawback provisions in the event one or more of the circumstances come to light.
- b) The review by the NRC will aim to determine the involvement, accountability, severity and willful nature of the act of the concerned person/s.
- c) Bonafide errors of judgment will not be subject to Malus provisions.
- d) The provision of a Malus arrangement would entail cancellation of deferred portion of variable pay. The NRC may decide to apply Malus on part, or all of the unpaid cash portion of variable pay or unvested ESOPs basis level of involvement, proportionality and impact.
- e) The provision of Clawback arrangement would entail return of already paid variable pay in cash and/ or ESOPs attributable to a given reference year to which circumstances triggering the provisions of Malus and Clawback are related.
- f) The NRC may decide to apply Clawback on part, or all of variable pay basis level of involvement, proportionality and impact.
- g) That variable pay upto and inclusive of ₹ 25 lacs may be exempt from the application of these provisions.

11. Operational procedure Malus/Clawback

- a) As detailed in para 5.4 the exercise will decide the detailed arrangements for invoking deferral payment (retention) of cash incentives, malus and claw back provisions. Once the exercise is finalized appropriate

advice/agreement will be signed with the subject employees upon granting.

- b) Subsequent to granting the arrangement concluded at the end of the accounting year will be reviewed by the NRC/Board every year to decide on invocation of one or more arrangements with the beneficiary employees.
- c) In the event of a decision by the NRC/Board to invoke the arrangement vis a vis any of the subject employee management will initiate actions with appropriate notices to the employee concerned.
- d) Period: Retention, Malus and clawback provision on any individual cases shall apply for a period of 3 years after the date of grant of the underlying variable pay to the employee concerned.

12. Approval and Amendments

- a. The Board may, subject to applicable laws, amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the policy entirely with a new policy, based on the recommendation(s) of NRC, from time to time.
- b. Statutory/ regulatory provisions and any amendments thereon, made from time to time shall be binding on the Company and will be complied with even if not specifically incorporated in this Policy.

13. Limitation

In the event of any conflict between the provisions of this Policy, SEBI Listing Regulations/ the Act, and rules thereunder, RBI Guidelines or any other statutory enactments, the SEBI Listing Regulations /the Act, and rules thereunder, RBI Guidelines or any other statutory enactments shall prevail over this Policy.

**Annexure B****APPENDIX XXIII-B**

Form of Deed of Covenants with a Director of an NBFC

THIS DEED OF COVENANTS is made on this day of
Two Thousand.....BETWEEN Manappuram Finance Limited
having its registered office at W-4/638A Manappuram House, P
O Valapad, Thrissur-680567 (hereinafter called the "NBFC") of
the one part and Mr./Ms. of (hereinafter
called the "Director") of the other part.

WHEREAS

- A. The director has been appointed as a director on the Board of Directors of the NBFC (hereinafter called "the Board") and is required as a term of his/her appointment to enter into a Deed of Covenants with the NBFC.
- B. The director has agreed to enter into this Deed of Covenants, which has been approved by the Board, pursuant to his said terms of appointment.

NOW IT IS HEREBY AGREED AND THIS DEED OF COVENANTS WITNESSETH AS FOLLOWS:

- 1. The director acknowledges that his/her appointment as director on the Board of the NBFC is subject to applicable laws and regulations including the Memorandum and Articles of Association of the NBFC and the provisions of this Deed of Covenants.
 - 2. The director covenants with the NBFC that:
 - (i) The director shall disclose to the Board the nature of his/her interest, direct or indirect, if he/she has any interest in or is concerned with a contract or arrangement or any proposed contract or arrangement entered into or to be entered into between the NBFC and any other person, immediately upon becoming aware of the same or at meeting of the Board at which the question of entering into such contract or arrangement is taken into consideration or if the director was not at the date of that meeting concerned or interested in such proposed contract or arrangement, then at the first meeting of the Board held after he/she becomes so concerned or interested and in case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the director becomes concerned or interested in the contract or arrangement.
 - (ii) The director shall disclose by general notice to the Board his/her other directorships, his/her memberships of bodies corporate, his/her interest in other entities and his/her interest as a partner or proprietor of firms and shall keep the Board apprised of all changes therein.
- (iii) The director shall provide to the NBFC a list of his/her relatives as defined in the Companies Act, 1956 or 2013 and to the extent the director is aware of directorships and interests of such relatives in other bodies corporate, firms, and other entities.
 - (iv) The director shall in carrying on his/her duties as director of the NBFC:
 - (a) use such degree of skill as may be reasonable to expect from a person with his/her knowledge or experience.
 - (b) in the performance of his/her duties take such care as he/she might be reasonably expected to take on his/her own behalf and exercise any power vested in him/her in good faith and in the interests of the NBFC.
 - (c) shall keep himself/herself informed about the business, activities, and financial status of the NBFC to the extent disclosed to him/her.
 - (d) attend meetings of the Board and Committees thereof (collectively for the sake of brevity hereinafter referred to as "Board") with fair regularity and conscientiously fulfil his/ her obligations as director of the NBFC.
 - (e) shall not seek to influence any decision of the Board for any consideration other than in the interests of the NBFC.
 - (f) shall bring independent judgment to bear on all matters affecting the NBFC brought before the Board including but not limited to statutory compliances, performance reviews, compliances with internal control systems and procedures, key executive appointments, and standards of conduct.
 - (g) shall in exercise of his/her judgement in matters brought before the Board or entrusted to him/her by the Board be free from any business or other relationship which could materially interfere with the exercise of his/her independent judgement; and
 - (h) shall express his/her views and opinions at Board meetings without any fear or favour and without any influence on exercise of his/her independent judgement.

- (v) The director shall have:
 - (a) fiduciary duty to act in good faith and in the interests of the NBFC and not for any collateral purpose.
 - (b) duty to act only within the powers as laid down by the NBFC's Memorandum and Articles of Association and by applicable laws and regulations; and
 - (c) duty to acquire proper understanding of the business of the NBFC.
 - (vi) The director shall:
 - (a) not evade responsibility in regard to matters entrusted to him/her by the Board.
 - (b) not interfere in the performance of their duties by the whole-time directors and other officers of the NBFC and wherever the director has reasons to believe otherwise, he/ she shall forthwith disclose his/her concerns to the Board; and
 - (c) not make improper use of information disclosed to him/her as a member of the Board for his/her or someone else's advantage or benefit and shall use the information disclosed to him/her by the NBFC in his/her capacity as director of the NBFC only for the purposes of performance of his/her duties as a director and not for any other purpose.
3. The NBFC covenants with the director that:
- (i) the NBFC shall apprise the director about:
 - (a) Board procedures including identification of legal and other duties of Director and required compliances with statutory obligations.
 - (b) control systems and procedures.
 - (c) voting rights at Board meetings including matters in which Director should not participate because of his/her interest, direct or indirect therein.
 - (d) qualification requirements and provide copies of Memorandum and Articles of Association.
 - (e) corporate policies and procedures.
 - (f) insider dealing restrictions.
 - (g) constitution of, delegation of authority to and terms of reference of various committees constituted by the Board.
 - (h) appointments of Senior Executives and their authority.
 - (i) remuneration policy.
 - (j) deliberations of committees of the Board, and
 - (k) communicate any changes in policies, procedures, control systems, applicable regulations including Memorandum and Articles of Association of the NBFC, delegation of authority, Senior Executives, etc. and appoint the compliance officer who shall be responsible for all statutory and legal compliance.
 - (ii) the NBFC shall disclose and provide to the Board including the director all information which is reasonably required for them to carry out their functions and duties as a director of the NBFC and to take informed decisions in respect of matters brought before the Board for its consideration or entrusted to the director by the Board or any committee thereof.
 - (iii) the disclosures to be made by the NBFC to the directors shall include but not be limited to the following:
 - (a) all relevant information for taking informed decisions in respect of matters brought before the Board.
 - (b) NBFC's strategic and business plans and forecasts.
 - (c) organisational structure of the NBFC and delegation of authority.
 - (d) corporate and management controls and systems including procedures.
 - (e) economic features and marketing environment.
 - (f) information and updates as appropriate on NBFC's products.
 - (g) information and updates on major expenditure.
 - (h) periodic reviews of performance of the NBFC; and
 - (i) report periodically about implementation of strategic initiatives and plans.
 - (iv) the NBFC shall communicate outcome of Board deliberations to directors and concerned personnel and prepare and circulate minutes of the meeting of Board to directors in a timely manner and to the extent possible within two business days of the date of conclusion of the Board meeting; and
 - (v) advise the director about the levels of authority delegated in matters placed before the Board.



4. The NBFC shall provide to the director periodic reports on the functioning of internal control system including effectiveness thereof.
5. The NBFC shall appoint a compliance officer who shall be a senior executive reporting to the Board and be responsible for setting forth policies and procedures and shall monitor adherence to the applicable laws and regulations and policies and procedures including but not limited to directions of the Reserve Bank and other concerned statutory and Governmental authorities.
6. The director shall not assign, transfer, sublet or encumber his/her office and his/her rights and obligations as director of the NBFC to any third party provided that nothing herein contained shall be construed to prohibit delegation of any authority, power, function or delegation by the Board or any committee thereof subject to applicable laws and regulations including Memorandum and Articles of Association of the NBFC.
7. The failure on the part of either party hereto to perform, discharge, observe or comply with any obligation or duty shall not be deemed to be a waiver thereof nor shall it operate as a bar to the performance, observance, discharge, or compliance thereof at any time or times thereafter.
8. Any and all amendments and/or supplements and/or alterations to this Deed of Covenants shall be valid and effectual, only if in writing and signed by the director and the duly authorised representative of the NBFC.
9. This Deed of Covenants has been executed in duplicate and both the copies shall be deemed to be originals.

IN WITNESS WHEREOF THE PARTIES HAVE DULY EXECUTED THIS AGREEMENT ON THE DAY, MONTH AND YEAR FIRST ABOVE WRITTEN.

For the NBFC	Director
By.....	
Name.	Name.
Title:	
In the Presence of:	
1	2

Annexure C

DECLARATION AND UNDERTAKING BY DIRECTOR

Name of the NBFC: _____

Declaration and Undertaking by Director (with enclosures as appropriate as on _____)

I. Personal details of Director

- a. Full Name
- b. Date of Birth
- c. Educational Qualifications
- d. Relevant Background and Experience
- e. Permanent Address
- f. Present Address
- g. E-mail Address/Telephone Number
- h. Permanent Account Number under the Income Tax Act, 1961 and name and address of Income Tax Circle
- i. Relevant knowledge and experience
- j. Any other information relevant to the Directorship of the NBFC

II. Relevant Relationships of Director

- a. List of relatives, if any, who are connected with the NBFC (Refer section 6 and Schedule 1A of the Companies Act, 1956 and corresponding provisions of Companies Act, 2013)
- b. List of entities, if any, in which he/she is considered as being interested (Refer section 299(3)(a) and section 300 of the Companies Act, 1956 and corresponding provisions of Companies Act, 2013)
- c. List of entities in which he/she is considered as holding substantial interest within the meaning of paragraph 5.1.33 of these Directions
- d. Name of NBFC in which he/she is or has been a member of the board (giving details of period during which such office was held)
- e. Fund and non-fund facilities, if any, presently availed of by him/her and/or by entities listed in II (b) and (c) above from the NBFC
- f. Cases, if any, where the director or entities listed in II (b) and (c) above are in default or have been in default in the past in respect of credit facilities obtained from the NBFC or any other NBFC/bank

III. Records of professional achievements

- a. Relevant professional achievements

IV. Proceedings, if any, against the Director

- a. If the director is a member of a professional association/body, details of disciplinary action, if any, pending or commenced or resulting in conviction in the past against him/her or whether he/she has been banned from entry into any profession/occupation at any time
- b. Details of prosecution, if any, pending or commenced or resulting in conviction in the past against the director and/or against any of the entities listed in II (b) and (c) above for violation of economic laws and regulations
- c. Details of criminal prosecution, if any, pending or commenced or resulting in conviction in the last five years against the director



-
- d. Whether the director attracts any of the disqualifications envisaged under section 274 of the Companies Act 1956 and corresponding provisions of Companies Act, 2013?
-
- e. Has the director or any of the entities at II (b) and (c) above been subject to any investigation at the instance of Government department or agency?
-
- f. Has the director at any time been found guilty of violation of rules/regulations/ legislative requirements by customs/excise/ income tax/ foreign exchange/other revenue authorities? If so, give particulars
-
- g. Whether the director has at any time come to the adverse notice of a regulator such as SEBI, IRDA, MCA.
-

(Though it shall not be necessary for a candidate to mention in the column about orders and findings made by the regulators which have been later on reversed/set aside in to, it would be necessary to make a mention of the same in case the reversal/setting aside is on technical reasons like limitation or lack of jurisdiction, etc., and not on merit. If the order of the regulator is temporarily stayed, and the appellate/ court proceedings are pending, the same also should be mentioned.)

V. Any other explanation/information in regard to items I to III and other information considered relevant for judging 'fit and proper' Undertaking

I confirm that the above information is to the best of my knowledge and belief true and complete. I undertake to keep the NBFC fully informed, as soon as possible, of all events which take place subsequent to my appointment which are relevant to the information provided above.

I also undertake to execute the Deed of Covenant required to be executed by all the directors of the NBFC.

Place:

Signature:

Date:

VI. Remarks of Chairman of Nomination and Remuneration Committee/ Board of Directors of NBFC

Place:

Signature:

Date:

Annexure - II

POLICY ON DETERMINATION OF RELATED PARTIES AND DEALING WITH RELATED PARTY TRANSACTIONS ("RPT POLICY")

I. INTRODUCTION:

Manappuram Finance Ltd ("the Company" or "MAFIL") affirms good standard of governance practices and conducts its business in a fair and transparent manner duly complying with the applicable laws as in force. The Company is putting its best efforts consistently to enhance stakeholders long term value without compromising the corporate philosophy, ethics and standard of governance practices.

The Board of Directors (the "Board") of the Company has adopted this Policy on determination of Related Parties and Dealing with Related Party Transactions ("RPT") upon the recommendation of the Audit Committee and this Policy includes the materiality threshold in compliance with the provisions of Regulation 23 of SEBI and (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations, 2015) and such other provisions as amended from time to time. Through this policy, the Company endeavours to bring in more transparency in management in respect of transactions with related parties. Amendments, from time to time, to the Policy, if any, shall be considered by the Board based on the recommendations of the Audit Committee.

Manappuram Finance Limited considering the nature of Related party transactions has annexed an addendum which shall form as Annexure 1 to this policy. Further, the policy has been enhanced to cover related parties and related party transactions as per the wider definitions specified under Ind AS.

II. APPLICABILITY:

This Policy applies to transactions between the Company and one or more of its Related Parties. It provides a framework for governance and reporting of Related Party Transactions.

III. OBJECTIVE:

This Policy is intended to ensure due and timely identification, approval, disclosure and reporting of transactions between the Company and any of its Related Parties and also RPTs

undertaken by its subsidiaries in compliance with the applicable laws and regulations as may be amended from time to time. It is essential to keep a stringent check on RPTs which may present a potential or actual conflict of interest and may act against the best interest of the Company and its shareholders.

The provisions of this Policy are designed to govern the approval process and disclosure requirements to ensure transparency in the conduct of Related Party Transactions in the best interest of the Company and its shareholders and to comply with the statutory provisions in this regard.

IV. DEFINITIONS:

"Audit Committee" or "the Committee" means the committee of Board of Directors of the Company constituted under the provisions of Regulation 18 of the SEBI (LODR) Regulations, 2015 read with Section 177 of the Companies Act, 2013;

"Board" means Board of Directors of the Company;

"Key Managerial Personnel" "KMP" means key managerial personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013 For the purpose of this policy definition of KMP as per Ind AS 24 will also be applicable.¹

"Material Related Party Transactions" means a transaction with a Related Party if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company or ₹1,000 Crores, whichever is less;²

Notwithstanding the above, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity

¹ [Definition of Key Managerial Personnel as per Ind AS 24

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.]

² [(Definition of Turnover as per Section 2(91) of the Companies Act 2013)

"Turnover" means the aggregate value of the realisation of amount made from the sale, supply or distribution of goods or on account of services rendered, or both, by the Company during a financial year.]

"Revenue from Operations" is considered as Turnover of the Company.



"Related Party" means related party as defined under Regulation 2(1)(zb) of the SEBI (LODR) Regulations, 2015 or under Ind AS 24¹ and

- i Any person or entity forming part of the promoter or promoter group of the Company;
- ii Any person or entity holding equity shares of 20% or more, (10% or more with effect from April 01, 2023) in the Company, either directly or indirectly or on a beneficial interest basis (as per Section 89 of the Act) at any time during the immediate preceding financial year.

"Related Party Transaction" a means related party transaction as defined under Regulation 2(1)(zc) of the SEBI (LODR) Regulations, 2015;

"Relative" means relative as defined under sub-section (77) of section 2 of the Companies Act, 2013 and rules prescribed there under.

All other words and expressions used but not defined in this policy, but defined in the addendum to the policy. Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, and SEBI (LODR) Regulations, 2015 and Ind AS 24 shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case maybe.

V. POLICY:

All Related Party Transactions shall require prior approval of the Audit Committee comprising of a quorum of only Independent Directors being members of the said Committee approving the same. Such approval shall be only at a meeting of the Audit Committee and not by circulation.

All proposed Related Party Transactions and subsequent material modification of such Related Party Transaction must be presented before the Audit Committee for prior approval by the Independent Directors of the Committee.

In the case of frequent / regular / repetitive transactions which are in the normal course of business of the Company, the Committee may grant omnibus approval.

The term omnibus approval has been defined in the addendum to the policy the criteria followed in granting omnibus approval is enumerated in point 09 of the addendum

Each Related party transactions should get verified by an independent Chartered Accountant before placing in the Audit Committee/Board inter alia for the criteria of arm's length and in terms of items a to c on page 13 (Factors to be considered by the Audit Committee).

Once in 3 years benchmarking with market rate is required notwithstanding the tenure of the lease in case of lease transactions between the Company and any of its related party.

¹ [Definition of related party as per Ind AS 24

Related party: is a person or entity that is related to the entity that is preparing its financial statements.

- (a) A person or a close member of that person's family is related to a reporting entity if that person:
 - (i) has control or joint control of the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity is related to a reporting entity if any of the following conditions applies:
 - (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) Both entities are joint ventures of the same third party;
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
 - (vi) The entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part provides key management personnel services to the reporting entity or to the parent of the reporting entity.

For the purpose of this definition an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture]

VI. TRANSACTIONS THAT ARE CONSIDERED AS RELATED PARTY TRANSACTIONS:

Following types of the transactions considered as related party as per section 188 of Companies Act 2013:

- (a) Sale, purchase or supply of any goods or materials;
- (b) Selling or otherwise disposing of, or buying, property of any kind;
- (c) Leasing of property of any kind;
- (d) Availing or rendering of any services;
- (e) Appointment of any agent for purchase or sale of goods, materials, services or property;
- (f) Such related party's appointment to any office or place of profit or a Key Managerial Personnel in the company, its subsidiary company or associate company; and
- (g) Underwriting the subscription of any securities or derivatives thereof, of the company.

Types of the transactions considered as related party transaction as per Reg. 2(1)(zc) of SEBI(LODR) Regulations, 2015

- a) A transaction involving a transfer of resources, services or obligations between
 - (i) A listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand
 - (ii) A listed entity or any of its subsidiaries on one hand and any other person or entity on the other hand the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries with effect from April 01 2023

Regardless of whether a price is charged and a transaction with a related party shall be construed to include a single transaction or group of transactions in a contract.

As per and IND AS-24, of the Companies (Indian Accounting Standards) Rules, 2015 following are examples of transactions that are disclosed if they are with a related party:

- (a) Purchases or sales of goods (finished or unfinished);
- (b) Purchases or sales of property and other assets;
- (c) Rendering or receiving of services;
- (d) Leases;
- (e) Transfer of research and development;
- (f) Transfer under license agreements;
- (g) Transfer under finance arrangements (including loans and equity contribution in cash or in kind);
- (h) Provision of Guarantees and Collaterals;
- (i) Commitments to do something if a particular event occurs or not occur in the future, including executory contracts (recognized and unrecognized)

- (j) Settlement of liabilities on behalf of the entity or by the entity on behalf of that related party;
- (k) Management contracts including for deputation of employees.

Parties are considered to be related under IND AS 24, if one party has the ability to control the other party or exercise significant influence over the other party, directly or indirectly, in making financial and/or operating decisions and includes the following:

1. A person or a close member of that person's family is related to a company if that person:
 - a. has control or joint control or significant influence over the Company; or
 - b. is a key management personnel of the Company or of a parent of the Company; or
2. An entity is related to a company if any of the following conditions applies:
 - a. The entity is a related party under Section 2(76) of the Companies Act, 2013; or
 - b. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member); or
 - c. Both entities are joint ventures of the same third party; or
 - d. One entity is a joint venture of a third entity and the other entity is an associate of the third entity; or
 - e. The entity is controlled or jointly controlled by a person identified in (1); or
 - f. A person identified in (1)(b) has significant influence over the entity (or of a parent of the entity);

VII. TRANSACTIONS THAT ARE NOT CONSIDERED AS RELATED PARTY TRANSACTIONS:

The following transactions are not considered as Related Party Transactions

- a) The issue of specified securities on a preferential basis, subject to compliance of the requirements under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018
- b) The Corporate actions by the listed entity which are uniformly applicable/offered to all shareholders in proportion to their shareholding
 - (i) Payment of dividend;
 - (ii) Subdivision or consolidation of securities;
- (iii) Issuance of securities by way of a rights issue or a bonus issue; and
- (iv) Buy-back of securities



VIII. IDENTIFICATION OF RELATED PARTIES AND INTERESTED DIRECTOR WITH RESPECT TO TRANSACTIONS:

Every Director will be responsible for providing a declaration in the format as per Form RPT containing the following information to the Company Secretary on an annual basis:

1. Names of his / her Relatives;
2. Partnership firms in which he / she or his / her Relative is a partner;
3. Private Companies in which he / she or his / her Relative is a member or Director;
4. Public Companies in which he / she is a Director and holds along with his/her Relatives more than 2% of paid up share capital as at the end of immediate preceding financial year;
5. Any Body Corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with his / her advice, directions or instructions (other than advice, directions or instructions obtained from a person in professional capacity);
6. Persons on whose advice, directions or instructions, he / she is accustomed to act (other than advice, directions or instructions obtained from a person in professional capacity); and
7. Body Corporate or any Association of Individuals in which he / she or his / her Relative is a Director or owner or Partner or Promoter or Manager or Chief Executive Officer of Body Corporate or Member of the Association of Individuals.

Every Key Managerial Personnel other than a director will also be required to provide the Names of his / her Relatives in the format as per Schedule to Form RPT on an annual basis.

Every Director and the Key Managerial Personnel will also be responsible to update the Company Secretary of any changes in the above relationships, directorships, holdings, interests and / or controls immediately upon him / her becoming aware of such changes.

IX. TRANSACTIONS AND FACTORS FOR CONSIDERATION BY THE COMMITTEE IN APPROVING AND RECOMMENDING THE PROPOSED RELATED PARTY TRANSACTIONS FOR APPROVAL BY THE BOARD :

Transactions that require prior approval of Audit Committee

- a) All Related Party Transactions and subsequent material modifications to such Related Party Transactions;
- b) Related Party Transactions to which subsidiary of MAFIL is a party but MAFIL is not a party shall require

prior approval of Audit committee of MAFIL if the value of such transactions whether entered into individually or taken together with previous transactions during a financial year exceeds ten percent of the annual consolidated turnover as per the last audited financial statements of MAFIL;

- c) With effect from April 1, 2023 Related Party Transactions to which subsidiary of MAFIL is a party but MAFIL is not a party shall require prior approval of Audit committee of MAFIL if the value of such transactions whether entered into individually or taken together with previous transactions during a financial year exceeds ten percent of the annual standalone turnover as per the last audited financial statements of the Subsidiary.
- d) Prior approval of the audit committee of the listed entity shall not be required for a related party transaction to which the listed subsidiary is a party but the listed entity is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of these regulations are applicable to such listed subsidiary.

Material Modification

Any material modification to the terms approved by the Audit Committee for the Related Party

Transactions will require its prior approval. The following terms shall be considered as material terms in respect of every Related Party Transaction, except financial transactions:

- a. Substitution of the name of the Related Party arising due to succession, corporate re-structuring, acquisition etc.
- b. Nature of goods or services
- c. Total value of the Related Party Transaction
- d. Period approved for Related Party Transaction
- e. Miscellaneous terms such as advance payable, warranty terms, credit period, interest payable on default in payment.

In respect of financial transactions like providing of loan, inter-corporate deposit:

- a. Substitution of the name of the Related Party arising due to succession, corporate re-structuring, acquisition etc.
- b. Quantum of loan or inter-corporate deposit.
- c. Interest related terms including interest holiday, if any, security terms, if any
- d. Period
- e. Repayment terms

Information to be placed before Audit Committee:

The following information shall be placed before the Audit Committee of the Board of Directors to enable the independent directors who are members of the Audit Committee to consider and decide on the approval in respect of Related Party Transactions:

- a. Type, material terms and particulars of the proposed transaction;
- b. Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);
- c. Tenure of the proposed transaction (particular tenure shall be specified);
- d. Value of the proposed transaction;
- e. The percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a Related Party Transaction involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);
- f. If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary:
 - i) Details of the source of funds in connection with the proposed transaction;
 - ii) Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments,
 - nature of indebtedness;
 - cost of funds; and
 - tenure;
 - iii) Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
 - iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the related party transactions.
- g. Justification as to why the Related Party Transaction is in the interest of the Company;
- h. A copy of the valuation or other external party report, if any such report has been relied upon;
- i. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed related party transaction, on a voluntary basis;
- j. Methodology used for determination of arms-length
- k. Any other information that may be relevant

The Audit Committee of the Board shall also review the status of long-term (more than one year) or recurring related party transactions on an annual basis.

Factors to be considered by the Audit Committee

While considering any related party transaction, the Committee shall also take into account all relevant facts and circumstances including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters as specified in the relevant applicable circulars issued by SEBI from time to time

Prior to the approval, the Committee may, inter-alia, consider the following factors to the extent relevant to the transaction:

- a. Whether the terms of the Related Party Transaction are in the ordinary course of the Company's business and are on an arm's length basis;
- b. Whether the transaction could be material or significant by value;
- c. The business reasons for the Company to enter into the Related Party Transaction and the nature of alternative options available, if any;
- d. Whether the Related Party Transaction includes any potential reputational risks or misuse of corporate assets that may arise as a result of or in connection with the proposed Transaction; and
- e. Whether the Related Party Transaction would affect the independence or present a conflict of interest for any Director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial interest or benefit to the Director, Key Managerial Personnel or other Related Party concerned, the direct or indirect nature of the Director's interest, Key Managerial Personnel's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Committee deems relevant.
- f. While considering the arm's length nature of the transaction, the Committee may take into account the facts and circumstances as were applicable at the time of entering into the transaction with the Related Party. The Committee may also take into consideration subsequent events (i.e., events after the initial transactions have commenced) like evolving business strategies / short term commercial decisions to improve / sustain market share, changing market dynamics, local competitive scenario, economic / regulatory conditions affecting the global / domestic industry, may impact profitability but may not have a bearing on the otherwise arm's length nature of the transaction.
- g. The transactions specified from point 1 to 8 of addendum shall be considered for approval after consideration of the information placed before the Committee and also the factors mentioned above is applied to each particular transaction mentioned in



the addendum annexed to the policy Notwithstanding what is stated above, it is the stated policy of the Company to make a determined effort to reduce unavoidable RPT's other than those necessitated by the Company's location in a semi-rural area.

Omnibus Approval

For granting omnibus approval, the committee shall specify the following details:

- a. Name of the related party;
- b. Nature of the transaction;
- c. Period of the transaction;
- d. Maximum amount of the transactions that can be entered into;
- e. Indicative base price / current contracted price and formula for variation in price, if any;
- f. Justification for the omnibus approval.

Such transactions will be deemed to be pre-approved and may not require any further approval of the Audit Committee for each specific transaction for the specific period approved.

The Audit Committee shall, review quarterly and take note of all Related Party Transactions for which omnibus approval has been granted by the Audit Committee.

The omnibus approval shall be valid for a period of one financial year however subject to quarterly review and fresh approval shall be obtained after the expiry of one year.

X. APPROVAL BY THE BOARD:

If the Committee determines that a Related Party Transaction should be brought before the Board or a Related Party Transaction is not in the Ordinary Course of Business or not at Arms' Length or is a material related party transaction or if the Board in any case elects to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the Board shall consider and approve the Related Party Transaction at a meeting.

The Board shall take note of all transactions approved by the Audit committee except for transactions referred to in point 4 & 6 of the addendum were the same shall be approved by the Board.

Transactions involving material cost savings shall be decided by the board as referred to in point 2 of the footnote of addendum.

XI. APPROVAL BY SHAREHOLDERS

The Board of Directors of the Company shall mandatorily place before the members of the Company, all Material RPTs and subsequent material modifications to existing RPT for their approval prior to undertaking such transactions.

Except with the prior approval of the Shareholders by a resolution, a company shall not enter into any RPTs as mandated under Section 188 of Companies Act, 2013 read with Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, material related party transactions

and/or subsequent material modifications to related party transactions as stipulated in Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015

In all cases, where shareholders' approval is necessary for any RPT, the Company Secretary shall ensure that the agenda of the Board meeting at which the resolution is proposed to be moved shall disclose-

- a. All the information provided by the management of the Company to the Audit Committee;
- b. Any other information that may be relevant.

The Company Secretary shall ensure that the explanatory statement to be annexed to the notice of a general meeting convened for obtaining approval of members in relation to the proposed RPTs shall contain the following particulars:

- a. Summary of the information provided by the management of the Company to the Audit Committee;
- b. Justification for why the proposed transaction is in the interest of the Company;
- c. Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary, the details placed before the Audit Committee except the information on source of funds and cost of funds.
- d. A statement that the valuation or other external report, if any, relied upon by the Company in relation to the proposed transaction will be made available through the registered email address of the shareholders;
- e. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis;
- f. Any other information that may be relevant.

The Board shall be ultimately responsible for seeking approvals from shareholders as per the requirements of applicable laws which may vary from time to time.

XII. DISCLOSURE, RECORDING AND REPORTING OF RELATED PARTY TRANSACTIONS:

- a. Company shall disclose each year in the Audited Financial Statements transactions with Related Parties as prescribed in the applicable Accounting Standard as well as accounting policies governing transactions with Related Parties.
- b. Disclosure in the Board's Report to the shareholders shall be made as prescribed under Companies Act, 2013.
- c. Company shall submit along with publication of half yearly financial results, Standalone or Consolidated as may be applicable, disclosures of all RPTs, in the format specified by SEBI to the stock exchanges and publish the same on its website.
- d. The Company Secretary shall make necessary entries in the Register of Contracts required to be maintained under the Companies Act, 2013.

XIII. POLICY ON LOAN TO DIRECTORS AS PER RBI DIRECTIVES

As per provisions of RBI's DOR.CRE.REC. No.25/03.10.001/2022-23, dated April 19, 2022,

1. **Loans and advances to Directors** - Company shall not grant ₹ 5 cr & above loans and advances unless sanctioned by the Board of Directors / Committee of Directors, to -
 - i) its directors (including the Chairman/ Managing Director) or relatives of directors.
 - ii) any firm in which any of its directors or their relatives is interested as a partner, manager, employee or guarantor.
 - iii) any company in which any of its directors, or their relatives is interested as a major shareholder, director, manager, employee or guarantor.

A director or his relatives shall be deemed to be interested in the company, being the subsidiary or holding company, if he is a major shareholder or is in control of the respective holding or subsidiary company.

The director who is directly or indirectly concerned or interested in any proposal should disclose the nature of his interest to the Board when any such proposal is discussed. He should recuse himself from the meeting unless his presence is required by the other directors for the purpose of eliciting information and the director so required to be present shall not vote on any such proposal.

The proposals for credit facilities of an amount aggregating less than ₹ 5 cr may be sanctioned by the appropriate authority in the NBFC under powers vested in such authority but should be reported to the Board.

2. **Loans and advances to Senior Officers –** Company shall abide by the following when granting loans and advances to its senior officers:
 - i) Loans and advances sanctioned to senior officers shall be reported to the Board.
 - ii) No senior officer or any Committee comprising, inter alia, a senior officer as member, shall, while exercising powers of sanction of any credit facility, sanction any credit facility to a relative of that senior officer. Such a facility shall be sanctioned by the next higher sanctioning authority under the delegation of powers.

In respect of grant of loans and advances to directors / senior officers and their relatives:-

- i) Company shall obtain a declaration from the borrower giving details of the relationship of the borrower to their directors/ senior officers for loans and advances aggregating ₹ 5 cr & above. NBFCs shall recall the loan if it comes to their knowledge that the borrower has given a false declaration.
- ii) These guidelines shall be duly brought to the notice of all directors and placed before the NBFC's Board of Directors.
- iii) NBFCs shall disclose in their Annual Financial Statement, aggregate amount of such sanctioned loans and advances.

The above norms relating to grant of loans and advances will equally apply to awarding of contracts.

The term 'loans and advances' will not include loans or advances against :-

- a) Government securities
- b) Life insurance policies
- c) Fixed deposits
- d) Stocks and shares
- e) Housing loans, car advances, etc. granted to an employee of the NBFC under any scheme applicable generally to employees.

Provided that NBFC's interest/lien is appropriately marked with legal enforceability.

XIV. DISSEMINATION OF POLICY:

Either this Policy or the important provisions of this policy shall be disseminated to all functional and operational heads and other concerned persons of the Company and shall be hosted on the intra-net and website of the Company and web link thereto shall be provided in the annual report of the Company.

XV. POLICY REVIEW:

Board shall review the overall policy once in a year and modify or update the same in accordance with the changes to the threshold limits or as may be required by the amendments to Applicable Laws.

XVI. OTHER RESTRICTIONS:

- No group/Subsidiary Companies shall participate in the Gold Loan Auction of the Company.
- Related party dealing with the shares of the Company through stock exchanges shall abide with the statutory prohibitions/restrictions/cooling period in accordance with the Securities and Exchange Board of India (Substantial acquisition Of Shares and Takeovers) Regulations, 2011.

**ANNEXURE-01****Addendum to the Related Party Transactions (RPTs)****Background**

Board in its meeting held on 7 May 2021 reviewed the Related party transactions. Accordingly, as directed by the Board the Management has decided to revisit some of the aspects of the RPTs and provide a guidance for all transactions falling within the RPTs. Accordingly, the following guidance has been put in place.

This addendum forms an integral part of the existing RPT policy and to be read and understood in conjunction with the same.

Objective:

The objective of putting in place this addendum is to reduce the number of RPTs to the extent possible. However, given that MAFIL is headquartered in a village and that vendors and counter parties of quality and capability may not be readily available around the area, the Management recognises that it may be difficult to reduce the number of transactions significantly.

The related party transactions shall be governed by the following principles.

Definitions:

Ordinary Course of Business (OCB): Any transaction entered into ordinary course of business or transactions

Arm's Length Transaction (ALB): Arm's Length Transaction" means a transaction between two Related Parties that is conducted as if they were unrelated, so that there is no conflict of interest

Omnibus Related Party Transactions: Criteria for granting omnibus approvals:

- Repetitiveness of the transactions (in past and future) during the ordinary course of business.
- Transactions which are at arm's length
- Justification for the need of omnibus approval.
- In the best interest of the company.
- Validity for one year.

Sl. No	Type of transactions	Conditions
1	All transactions (other than capital contribution and loans and advances) with wholly owned subsidiaries	Subject to satisfaction of Arm's length conditions in terms of engagement and commercials.
2	Investments in subsidiaries.	Generally investment in Tier I and Tier II capital of the subsidiaries shall be to the extent of maintaining optimum CRAR to be maintained by them as decided by the Boards of MAFIL and Subsidiaries. The valuation parameters or underlying yields of these instruments shall be on Arm's length basis
3	Loans and advances to subsidiaries and associate companies.	Subject to satisfaction of Arm's length conditions. The general policy of the Company however is to try and make each operation self-standing and inter-company transactions will be resorted to in cases of extreme need
4	Transactions that are necessitated by virtue of lack of alternative vendors with appropriate technical credentials, especially as it relates to Valapad:	Such RPTs to be evaluated on a case-by-case basis. Subject to the Board's determination through reasonable means that such RPTs are in the broader interest of the Company and are on arms-length basis, they would be permitted
5	Transactions with Trade associations, Apex Association of Trade Associations, Self-Regulatory Organizations (SROs), Section 25 or Section 8 (not for profit) companies, well reputed charitable institutions where Directors, KMPs may have memberships or hold positions of responsibility: Permitted.	Subject to the condition that such transactions to be in the nature of subscriptions, other voluntary contributions for the benefit of the members of the organisation or the community (subject to the transactions falling under definition of related party as per IND AS 24).
6	Related party Transactions where there is substantial cost saving by contracting with related parties: Board will scrutinize such transactions closely, and may allow them subject to cost savings being material and arms-length test being met	Permitted subject to approval by the Board after close scrutiny of such transactions, and may allow them subject to cost savings being material and arms-length test being met.
7	Related party Transactions with social objectives such as community Health, Education etc	Allowed subject to specific approval by the Audit committee subject to such transactions being non-commercial in nature or relating to CSR projects of the Company

Sl. No	Type of transactions	Conditions
8	Other Related Party Transactions that do not fall within the above categories.	Generally disallowed, unless the Audit committee determines otherwise for reasons that are in the interest of MAFIL and its stakeholders.
9	Omnibus RPT approval by Audit Committee	Audit Committee shall grant omnibus approval for transactions of repetitive nature and such approval shall be in the interest of the company. Investments and loans and advances to related parties, awarding of contracts for specific projects etc. require specific approval by the Audit Committee.

Form RPT

To,
The Company Secretary & Compliance Officer
Manappuram Finance Limited,
Manappuram House,
Valapad PO, Thrissur-680 567.

Dear Sir,

- A. , -----, daughter/son/c/o Mr.-----, resident of, holding Shares (equity) of ₹ 2/- each as on in the Company in my name, being a Director in the Company, hereby give notice that I am interested directly/through my Relatives (Schedule) in the following private company or companies or firms:

Sr. No.	Name of the Private Companies / Firms	Nature of Interest or concern / Change in Interest or Concern	Shareholding	Date on which Interest or Concern arose/changed
---------	---------------------------------------	---	--------------	---

- B. The following Public Companies in which I am a Director and holds along with my Relatives (Schedule) more than 2% of paid up share capital as on the end of this financial year:

Sr. No.	Name of the Public Companies holding more than 2% of paid up share capital	Shareholding	Date on which Interest or Concern arose/changed
---------	--	--------------	---

- C. The Following are the Bodies Corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with any advice, directions or instructions:

Sr. No.	Name of the Body Corporate
---------	----------------------------

- D. I am accustomed to act on the advice, directions or instructions of the following persons (other than advice, directions or instructions obtained in professional capacity).

Sr. No.	Name of the person	Relation
---------	--------------------	----------



- E. The following are Bodies Corporate or association of individuals in which I am or my Relatives (Schedule) interested as a Director of Body Corporate or Member of Association:

Sr. No.	Name of the Bodies Corporate / Association of Individuals	Nature of Interest or concern / Change in Interest	Date on which Interest or Concern arose / changed

Signature: _____

Name:

Designation:

DIN No:

Place:

Date:

Schedule to Form RPT

LIST OF RELATIVES

Sr. No.	Relationship	Full Name	Address	Shareholding in the Company
1	Spouse			
2	Father (including Step-Father)			
3	Mother (including Step-Mother)			
4	Son (including Step-son)			
5	Son's Wife			
6	Daughter			
7	Daughter's Husband			
8	Brother (Including Step-Brother)			
9	Sister (Including Step-Sister)			
10	Members of HUF			

Signature:

DIN No:

Date:

Foot Note

- 1) All other conditions of the policy will continue to apply in all Related party transactions.
- 2) Cost saving need not be critical unless it is material and the same shall be decided by the board
- 3) In case of asset disposal, higher bid form the related party need not be the reason to do the transact

Annexure - III

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO

A. CONSERVATION OF ENERGY

i. the steps taken or impact on conservation of energy:

We at Manappuram are inclined to go for conservation of energy by encouraging adoption of go green initiatives. However, the Company follows the practice of purchasing and using energy-efficient electrical or electronic equipment and gadgets for its operations. Additionally, optimal use of technology may also lead to substantial conservation of energy. We have installed Energy Efficient VRF Type Air Conditioners in our new Offices opened during this year, namely Financial Office Building, Kurisupally and Hanna Complex both at Valapad. All the lights are energy efficient LED Lights.

ii. the steps taken by the Company for utilizing alternate sources of energy:

The Company is exploring the potential of using alternate sources of energy including solar energy and will continue to explore alternative sources of energy in future. During the Financial Year 2023-2024, we have saved Conventional Electrical Energy to the tune of 63421 Units (KWh) equaling ₹ 586920/- due to Solar Plant installed in previous years.

iii. the capital investment on energy conservation equipment: Nil

B. TECHNOLOGY ABSORPTION

(i) the efforts made towards technology absorption:

Our organization has been a largest NBFC in India, has made significant strides in technology absorption to enhance efficiency and customer experience. We have digitalized the customer onboarding process using advanced AI based solutions, ensuring a seamless and swift registration experience. The CKYC process has been automated

through Robotic Process Automation (RPA), significantly reducing manual intervention and processing time. In our Non-Gold Loan (NGL) divisions, we have integrated account aggregators into our Unified Loan Origination System (LOS) platform, streamlining data aggregation and loan processing.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution:

Furthermore, we have implemented the UPI reverse penny drop service in our gold loan segment, enhancing the accuracy and reliability of transaction verifications. The integration of TransUnion Bureau in our MSME lead application process has strengthened our credit assessment capabilities, ensuring better risk management. To improve EMI collections, we have deployed bot calling technology across various Non gold loan verticals, increasing efficiency and reducing human error. These advancements underscore our commitment to leveraging technology to drive innovation, improve service quality, and maintain our leadership in the industry

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year): Not Applicable

C. FOREIGN EXCHANGE EARNINGS AND OUTGO DURING THE FINANCIAL YEAR 2023-24

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

Particulars	₹ in Million
Total Foreign Exchange earned	0.00
Total Foreign Exchange expended	152.99



Annexure - IV

ANNUAL REPORT ON CSR ACTIVITIES

[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended.]

1. Brief outline of the Corporate Social Responsibility Policy of the Company:

Manappuram Foundation (MF), a charitable organization set up in October, 2009 is implementing and driving forward the Corporate Social Responsibility (CSR) of Manappuram Finance Limited (MAFIL). It was well involved in the CSR sphere years before it became a law of the land. With a vision to create healthy, educated, and happy communities, MAFIL has spent ₹ 44,46,93,239 (Including ongoing projects) through the MF during the fiscal 2023-24 towards the CSR in the following areas:

- Promotion of Quality Education
- Promotion of Healthcare/ Preventive Healthcare
- Development of the Rural Communities

Manappuram Foundation's strategy is to collaborate with internal as well as external stakeholders to make an impact in the community through grass root programmes in Quality Education, Healthcare and Community Development. At present, the bulk of the Foundation's activities are centered at the Thrissur coastal belt, which is also where MAFIL is headquartered. The financial audit and social audit are also conducted periodically to measure the impact of all major projects in CSR and to make sure the activities are in line with the vision and mission as approved by MAFIL.

2. Composition of 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.	Adv. V R Ramachandran	Chairperson - Independent Director	5	5
2.	Mr. V P Nandakumar	Member - Managing Director	5	5
3.	Mr. Abhijit Sen	Member - Independent Director	5	5
4.	Mr. S R Balasubramanian	Member - Non-Executive Non-Independent Director	5	5
5.	Adv. V P Seemandini	Member - Independent Director	5	5

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:

Composition of CSR committee, and CSR Projects approved by the board can be accessed at <https://www.manappuram.com/investors/corporate--governance.html>

CSR Policy can be accessed at <https://www.manappuram.com/policies-codes.html>

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.

Detailed impact assessment report can be accessed at <https://www.manappuram.com/contact.html>

- Average net profit of the company as per sub - section (5) of section 135: ₹19,37,96,03,827
- Two percent of average net profit of the company as per sub - section (5) of section 135: ₹38,75,92,077
- Surplus arising out of the CSR projects or programmes or activities of previous financial years: Nil
- The amount required to be set off for the financial year, if any: Nil
- Total CSR obligation for the financial year [(b) + © - (d)]: ₹ 44,46,93,239 (including opening unspent of ₹5,71,01,162)

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 38,75,92,077
- (b) Amount spent in Administrative Overheads: Nil
- (c) Amount spent on Impact Assessment, if applicable: ₹ 6,75,000
- (d) Total amount spent for the Financial Year [(a) + (b) + (c): ₹ 38,82,67,077
- (e) CSR amount spent or unspent for the Financial Year: Nil

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per sub - section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount	Date of transfer	Name of the Fund	Amount.	Date of transfer.
38,82,67,077	Nil	NA	Nil	NA	NA

- (f) Excess amount for set off, if any: (See below the table)

Sl. No.	Particular	Amount
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	38,75,92,077
(ii)	Total amount spent for the Financial Year	38,82,67,077
(iii)	Excess amount spent for the financial year [(ii)-(i)]	6,75,000
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	6,75,000

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

Sl. No.	Preceding Financial Year (s)	Amount transferred to Unspent CSR Account under sub- section (6) of section 135	Balance Amount in Unspent CSR Account under sub- section (6) of section 135	Amount Spent in the Financial Year	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	Deficiency, if any
					Amount	Date of Transfer		
1.	2020-21	62970000	Nil	Nil	Nil	NA	Nil	NA
2.	2021-22	140000285	43962676	43962676	Nil	NA	Nil	NA
3	2022-23	13138486	13138486	13138486	Nil	NA	Nil	NA

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Yes

If yes, enter the number of Capital assets created/ acquired – 34 Nos. (Thirty Four)

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) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
1	IT and Infrastructure Improvements, address: MAacademy Palakkad Viva City, DPO Road Near KSRTC, Yakkara, Palakkad Kerala 678014	678014	February 08, 2024	454,762	CSR00004545	Manappuram Foundation	V/104, Manappuram House, Valapad P O, Thrissur, Kerala - 680567



Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
2	IT and Infrastructure Improvements, address: MAcademy Thriprayar 2 nd Floor, Supreme Arcade, Opposite Thriprayar private Bus Stand, P.O. Nattika, Thrissur Kerala 680566	680566	March 23, 2024	1,437,804	CSR00004545	Manappuram Foundation	V/104, Manappuram House, Valapad P O, Thrissur, Kerala - 680567
3	Infrastructure development and facility improvement, address: MA CAMPUS PALAKKAD, 2 nd Floor. Viva City Building, DPO Road, Near LIC, Palakkad . 678 014	678 014	March 29, 2024	845,437	CSR00004545	Manappuram Foundation	V/104, Manappuram House, Valapad P O, Thrissur, Kerala - 680567
4	Infrastructure development , address: Macampus Thrissur, 3 rd Floor, SOBha Heights Agraharam Road, Poonkunnam Jn. Thrissur . 680 002	680 002	February 24, 2024	6,475,851	CSR00004545	Manappuram Foundation	V/104, Manappuram House, Valapad P O, Thrissur, Kerala - 680567
5	Infrastructure development and facility improvement, Address: Macare Kaloor No: 36/2322 A & B, Chammany Chambers, Kaloor - Kadavanthara Rd, opp. Park Central Hotel, Ernakulam, Kerala 682017	682017	March 23, 2024	20,648,865	CSR00004545	Manappuram Foundation	V/104, Manappuram House, Valapad P O, Thrissur, Kerala - 680567
6	Infrastructure development and facility improvement, address: Macare Thrissur, MACare Diagnostics, Krishna Towers, Aswini junction, Thrissur, Kerala, 680020.	680020.	March 29, 2024	48,253,175	CSR00004545	Manappuram Foundation	V/104, Manappuram House, Valapad P O, Thrissur, Kerala - 680567
7	Infrastructure development and facility improvement , address: Macare Mattancherry, Shan complex, Near women and child hospital, Bazar road, Mattancherry.	682002	March 29, 2024	3,724,501	CSR00004545	Manappuram Foundation	V/104, Manappuram House, Valapad P O, Thrissur, Kerala - 680567
8	Infrastructure development and facility improvement, address: MACare Diagnostics, Near Thrissur Medical College, Peringandoor, Thrissur, Kerala	680581.	March 29, 2024	1,013,867	CSR00004545	Manappuram Foundation	V/104, Manappuram House, Valapad P O, Thrissur, Kerala - 680567
9	Infrastructure development and facility improvement , address: MAgeet, Valappad Thrissur, Kerala -680567	680567	March 30, 2024	91,251,014	CSR00004545	Manappuram Foundation	V/104, Manappuram House, Valapad P O, Thrissur, Kerala - 680567
10	Infrastructure development and facility improvement, address: Mahima Counselling Centre NH 66, Near Riti Jewelry, Kothakulam, P.O Valapad, Thrissur, Kerala, PIN 680 567.	680 567	March 27, 2024	657,688	CSR00004545	Manappuram Foundation	V/104, Manappuram House, Valapad P O, Thrissur, Kerala - 680567

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
11	Various equipment , address: Manappuram Aquatic Complex, Painoor, Edathiruthy, Valluvanthara Rd, Valapad, Kerala 680567	680567	March 08, 2024	34,000	CSR00004545	Manappuram Foundation	V/104, Manappuram House, Valapad P O, Thrissur, Kerala - 680567
12	Infrastructure development and facility improvement, address: Manappuram Institute Of Automotive, Manappuram Agro Farms Painoor, Valapad, Thrissur	680567	March 23, 2024	1,769,945	CSR00004545	Manappuram Foundation	V/104, Manappuram House, Valapad P O, Thrissur, Kerala - 680567
13	Infrastructure development and facility improvement, address: Manappuram Institute For Language Studies, 2 nd Floor, Supreme Arcade, Opposite Thriprayar private Bus Stand, P.O. Nattika, Thrissur Kerala 680566	680566	March 29, 2024	2,632,932	CSR00004545	Manappuram Foundation	V/104, Manappuram House, Valapad P O, Thrissur, Kerala - 680567
14	Furniture ,address: Manappuram Institute Of Skill Development, Opp MAcare Hospital, 3 rd Floor, Sreyas Shopping Centre Valapad.P.O, Thrissur-Kerala, Pin Code: 680 567	680 567	February 21, 2024	56,123	CSR00004545	Manappuram Foundation	V/104, Manappuram House, Valapad P O, Thrissur, Kerala - 680567
15	Infrastructure development and facility improvement, address: Manappuram Fitness Centre, 2 nd Floor, Riti Jewelry Kothakulam, Valapad	680 567	March 29, 2024	36,939,386	CSR00004545	Manappuram Foundation	V/104, Manappuram House, Valapad P O, Thrissur, Kerala - 680567
16	46 Houses constructed for homeless BPL families of Kerala Address : Multiple locations in Kerala	Na	March 30, 2024	8,990,000	NA	Various Individual beneficiaries	Multiple locations across Kerala.
17	Construction of lecture hall, address: Sree Narayana Educational Complex,Sree Narayana Nagar,P.L Lokhande Marg, Chembur,Mumbai - 400089	400089	February 16, 2024	1,500,000	CSR00018235	Sree Narayana Mandira Samithi	Sree Narayana Educational Complex,Sree Narayana Nagar,P.L Lokhande Marg, Chembur,Mumbai - 400089
18	5 desktop computers, address: K. Karunakar Memorial Model Polytechnic College, Mala (Managed by IHRD, a Govt of Kerala Undertaking), Kallettumkara, Near Irinjalakuda Rly.Station,Thrissur - 680683	680683	November 06, 2023	202,500	NA	K. Karunakar Memorial Model Polytechnic College	K. Karunakar Memorial Model Polytechnic College, Mala (Managed by IHRD, a Govt of Kerala Undertaking), Kallettumkara, Near Irinjalakuda Rly. Station,Thrissur - 680683



Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
19	3 laptops, address: Govt. Higher Secondary School, Chowara, Kallankara Pisharom, Chowara, Kerala 683571	683571	January 05, 2024	97,373	NA	Govt. Higher Secondary School,	Govt. Higher Secondary School, Chowara, Kallankara Pisharom, Chowara, Kerala 683571
20	Storage shelf, address: Govt.KYLP School, Thurummel, Aluva - 683561	683561	July 07, 2023	83,900	NA	Govt.KYLP School	KYLP School, Thurummel, Aluva - 683561
21	Electrical equipments, Address: Govt. LP School, Cotton Hill, Vazhuthacaud, Thiruvananthapuram	695010	October 03, 2023	70,780	NA	Govt. LP School,	Govt. LP School, Cotton Hill, Vazhuthacaud, Thiruvananthapuram -
22	Destop and benches, address: Govt Higher Secondary School, Edavilangu P.O 680671	680671	July 21, 2023	18,400	NA	Govt Higher Secondary School,	Govt Higher Secondary School, Edavilangu P.O 680671
23	Transit shelter home, address: Rughmini Smrithi Trust, Lakshmbai Sevakendram, East Kadungalloor, Aluva, KLO2,KL,683102	683102	April 19, 2023	500,000	CSR00011313	Rughmini Smrithi Trust	Rughmini Smrithi Trust, Lakshmbai Sevakendram, East Kadungalloor, Aluva, KLO2,KL,683102
24	1 electric wheelchair, address: Valsan K K - S/o Kochakkan, Kaylan Parambil(H), P.O Anthikkad and Sunilkumar, Panakkal(H), P.O Valapad Beach - 680567	680567	May 04, 2023	188,415	NA	Valsan K K	Valsan K K - S/o Kochakkan, Kaylan Parambil(H), P. O Anthikkad and Sunilkumar, Panakkal (H), P.O Valapad Beach - 680567
25	1 Multipara meter-patient Monitor. Address: CHC, Alapad, P.O Alapad, Thrissur - 680641	680641	January 05, 2024	29,018	NA	CHC,Alapad	CHC,Alapad, P.O Alapad,Thrissur - 680641
26	34 CCTV cameras, Address: Valapad Grama Panchayath Office, P.O Valapad, Thrissur - 680567	680567	March 28, 2024	466,721	NA	Valapad Grama Panchayath Office	Valapad Grama Panchayath Office, P.O Valapad, Thrissur - 680567
27	1 Generator, Perinjnam Grama Panchayath, Paraparambil House, P.O Perinjanam,Thrissur,Kerala - 680686	680686	November 02, 2023	335,593	NA	Perinjnam Grama Panchayath	Perinjnam Grama Panchayath, Paraparambil House, P.O Perinjanam, Thrissur, Kerala - 680686
28	1 computer, address: Excise Circle Office Vatanappally, Excise Circle Office Vatanappally, Pokkulangara, Engandiyoor, Kerala 680615	680615	February 13, 2024	52,881	NA	Excise Circle Office Vatanappally	Excise Circle Office Vatanappally, Pokkulangara, Engandiyoor, Kerala 680615
29	1 computer, address: Sub Registrar Office Thriprayar, Tippusultan road, Triprayar, Kerala 680576	680576	January 10, 2024	38,136	NA	Sub Registrar Office Thriprayar	Sub Registrar Office Thriprayar, Tippusultan road, Triprayar, Kerala 680576
30	1 Computer. Address: Kasargode Police Station, Kasargode - 671121	671121	May 25, 2023	37,288	NA	Kasargode Police Station	Kasargode Police Station, Kasargode - 671121

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
31	Installation materials for CCTV and corresponding charges. Address: Valapad Grama Panchayath Office, P.O Valapad, Thrissur - 680567	680567	March 28, 2024	28,600	NA	Valapad Grama Panchayath Office	Valapad Grama Panchayath Office, P.O Valapad, Thrissur - 680567
32	UPS and printers, address: Pothujana Samithi Grameena Vaayanashaala, Panachichuvad, P.O, Kazhimbram, Thrissur - 680568	680568	October 12, 2023	15,619	NA	Pothujana Samithi Grameena Vaayanashaala,	Pothujana Samithi Grameena Vaayanashaala, Panachichuvad, P.O, Kazhimbram, Thrissur - 680568
33	Renovation work at Muriyamthodu beach, Address: Muriyamthodu beach ,93JX+F6G, Muriyam Thodu Beach Road., Kerala 680567	680567	March 23, 2024	965,456	NA	Valapad Panchayat	Muriyamthodu beach, 93JX+F6G, Muriyam Thodu Beach Road., Kerala 680567
34	Infrastructure development and facility improvement- Mukundapuram Public School	680661	March 30, 2024	5,171,684	CSR00027373	Mukundapuram Educational & Cultural Society	Mukundapuram Educational & Cultural Society, Mukundapuram School, Vellookkara, Thrissur, KL12, KL, 680661

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 - NA



SOCIAL IMPACT ASSESSMENT CSR Initiatives of Manappuram Finance Ltd (MAFIL)

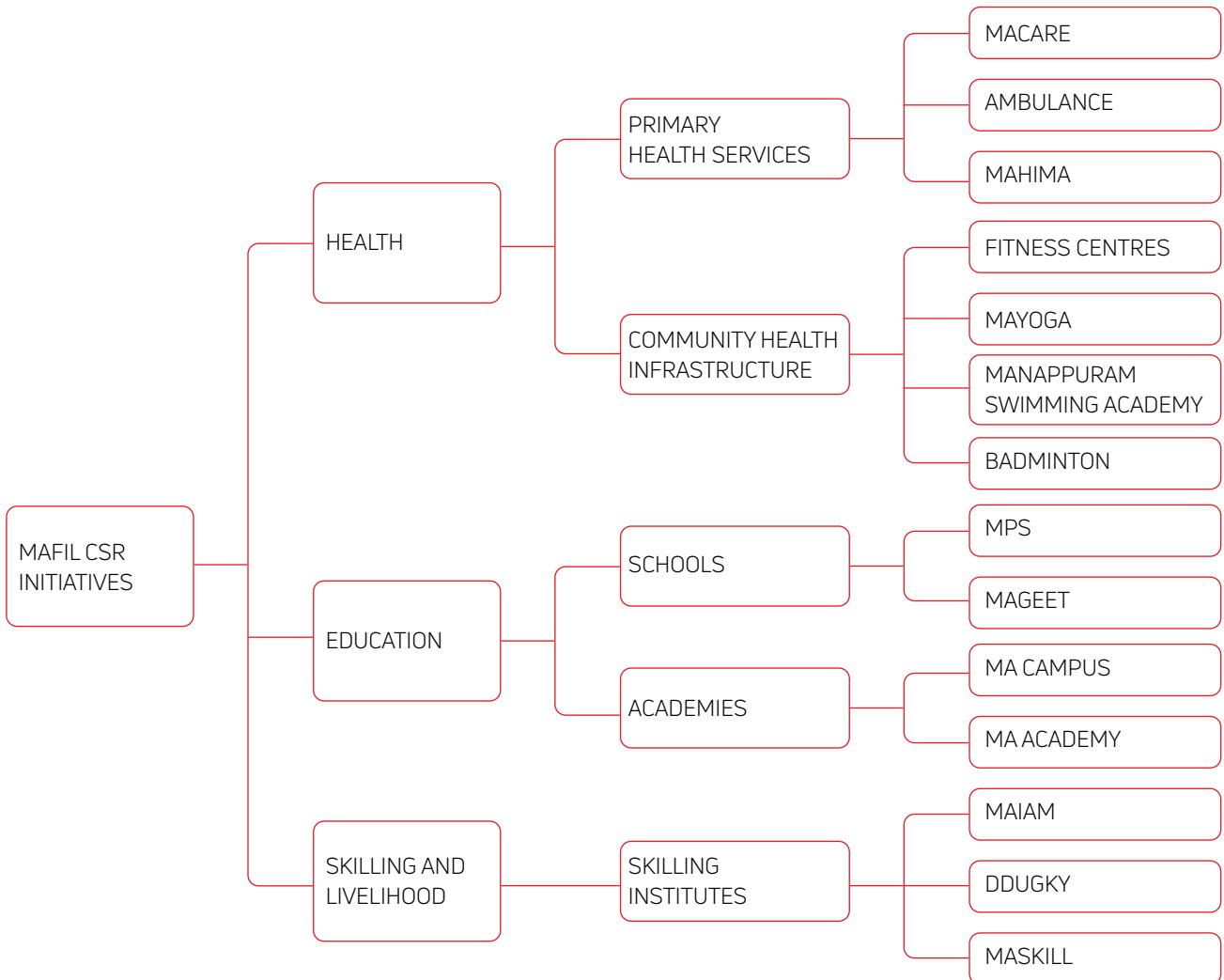
I. INTRODUCTION

Manappuram Finance Ltd (MAFIL), a non-banking financial company (NBFC), Founded by V.C. Padmanabhan in Valapad, Kerala, Thrissur district of Kerala, traces its origins back to 1949. It is one of India’s leading gold loans NBFCs, boasting over 4,600 branches across 28 states and 4 union territories. The Manappuram Foundation (MF), the Corporate Social Responsibility (CSR) arm of MAFIL, was established in 2009 with a vision to foster a sustainable and inclusive society. The Foundation is dedicated to initiatives spanning education, healthcare, environment, and community development. In 2022-23, MAFIL funded 20 projects as part of its CSR initiatives worth ₹ 44,14,89,174.

Projects considered for Social Impact Assessment

14 projects supported by MAFIL and each with a budget of over ₹ 1 crore were only considered for this Social Impact Assessment. The total value of the 14 projects implemented during 2022-23 was ₹ 38,89,24,843.

Projects for Assessment



II. ABOUT THE ASSESSMENT

MAFIL engaged Social Audit Network (SAN), India, to conduct a Social Impact Assessment not all the programs, only those project above 1cr is selected. Support was allocated to three main thematic areas:

- Promotion of Quality Education
- Promotion of Quality Healthcare
- Livelihood Enhancement

Objective

The study examined the overall impact of the program and assessed the extent to which the support provided was instrumental in reaching out to the target beneficiaries and achieving MAFIL's CSR policy objectives. The assessment aims to evaluate the relevance, effectiveness, efficiency, sustainability, and social impact of the CSR projects, with the intention of providing recommendations for long-term implementation.

Scope

The scope of the Social Impact Assessment is from April 2022- March 2023.

Methodology

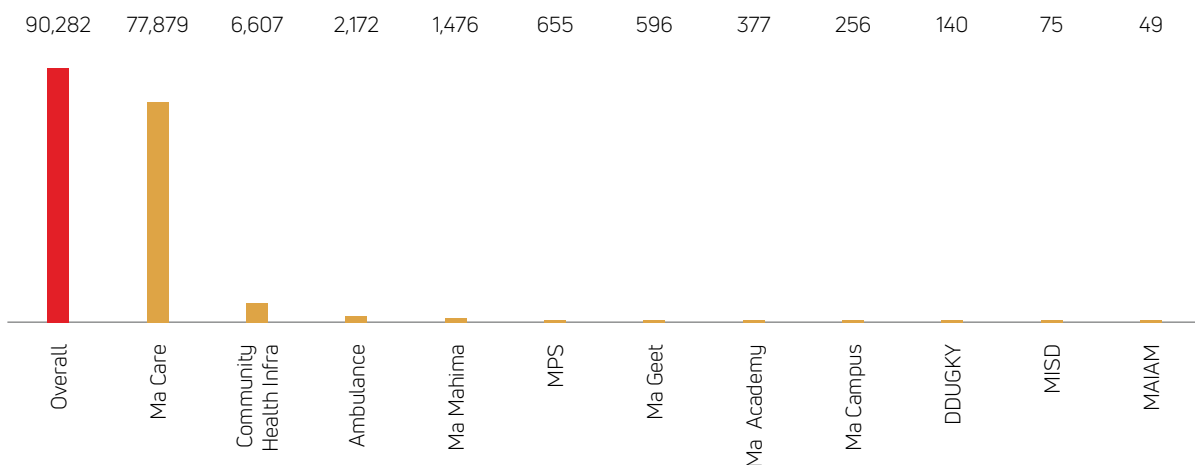
A field survey was conducted over a span of five days in February 2024, with a view to understand all the key projects. This phase predominantly involved on-site visits, conducting both one-on-one interviews, interacting with available beneficiaries/key stakeholders and reviewing documents and data available within with in Manappuram Foundation (the implementing agency of MAFIL). The assessment also deployed various other methodologies like telephone calls, online surveys etc to ensure a thorough evaluation of the program's impact.

Stakeholders consulted.

Primary data was collected through direct interaction with beneficiaries during the visits. Focus group discussions and personal interviews were conducted with primary stakeholders, management team, and staff of the Institutions. The SAN team conducted on-site visits, conducting both one-on-one interviews, interacting with available beneficiaries/key stakeholders and reviewing documents and data available within Manappuram Foundation. The following Stakeholders were consulted as part of the assessment.

Stakeholders consulted	Type of Interaction	Total consulted
Program Heads	Direct Interview	15
Program Staff	Focus Group Discussions, Telephonic interviews	36
CEO-Manappuram Foundation	Personal interview	1
MAFIL Staff	Personal interviews	3
Teachers / AVP / Principal	Personal interviews, Online Questionnaire	58
Students	Questionnaire, FGDs	124
Parents	Personal interviews, FGD	28
School Staff	Personal interviews	15
Healthcare Project Beneficiaries	FGD, Online Questionnaire	263
Students from various Academy's	Online Questionnaire, Telephone survey	21
Staff of Academy's	Personal interview	16
Manappuram Foundation Staff	Personal interview	3
Total Consulted		583

No. of beneficiaries





III. ASSESSMENT FINDINGS

A. Overview

Reach

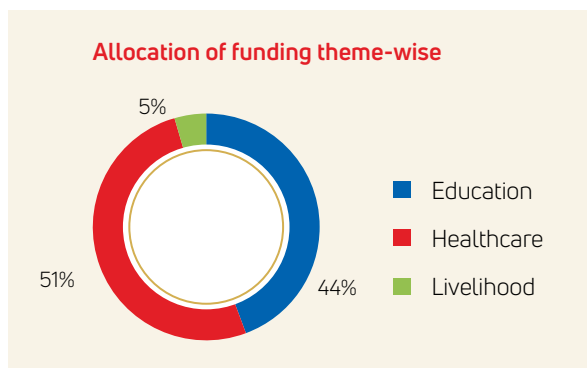
In all, 90,282 beneficiaries were supported through the 14 CSR programs funded by MAFIL.

Amount Spent

MAFIL provided a support of ₹ 38,89,24,843 to implement the CSR initiatives during the period April 2022- March 2023

Theme	Project	Total Spend	
Promotion of Quality education	Mkundapuram Public School	4,14,69,000	
	Mageet	9,48,13,962	
	Ma Academy	2,49,52,301	
	Ma Campus	1,10,92,620	
	TOTAL	17,23,27,883	
Skill Development and Livelihood	DDUGKY	83,75,326	
	Manappuram Institute of Automotive	50,03,726	
	Manappuram Institute of Skill Development	41,79,534	
	TOTAL	1,75,58,586	
Promotion of healthcare	Ambulance service	1,47,25,688	
	Mahima Counselling & Psychotherapy centre	37,62,078	
	Ma Care	18,05,50,609	
	Manappuram Swimming academy	46,08,260	
	Manappuram Badminton Court	2,03,624	
	Manappuram Fitness Centre	24,37,203	
	Manappuram Yoga Centre	75,72,410	
		TOTAL	19,90,38,374
		GRAND TOTAL	38,89,24,843

A major proportion of these expenses (51%) was provided to improve the health facilities. Additionally, 44% of the support was allocated towards improving the infrastructure and facilities within the schools and academies. 5% was provided to the livelihood projects.



B. CSR compliance

Criteria	Yes/No	Observations
CSR Policy in place	Yes	Policy was renewed in 2022
Approval of policy by the Board	Yes	Approved by Board of Directors
Policy disclosed	Yes	Uploaded on the website
Key focus area identified in the policy and followed	Yes	Three areas identified – Quality Education, promotion of Health and Skill development – and followed
Key beneficiaries identified	Yes	Rural children and youth, Rural communities
Responsible team for execution of CSR activities	Yes	Manappuram Foundation has an experienced and dedicated team present who monitor and evaluate all the projects on a daily basis
Need Assessment of projects done before implementation	Yes	Raised by the implementing partner and submitted to the Manappuram Foundation team
Periodic Stakeholder consultations	Yes	The Manappuram Foundation team visits each project site every month and also has telephonic interactions with them on a need basis
Feedback mechanism in place	Yes	The Manappuram Foundation team personally interacts with the beneficiaries and get direct feedback from them
Course correction on feedback	Yes	Based on the feedback, immediate steps are undertaken for strengthening or changing the implementation strategies
Periodic Tracking of beneficiary progress	Yes	Monthly reports are submitted by partners and a tracking system is maintained by the Foundation team.
Internal impact assessment of projects	Yes	No structured formats in place. Assessment is only done by observations during the periodic visits done for all the projects by the Foundation team
External impact assessment projects	Yes	A third-party assessment by SAN was done in March 2022.

Criteria	Yes/No	Observations
Review of CSR activities by the Board	Yes	Quarterly review of CSR activities by Board.
Annual CSR Reports published	Yes	Annual CSR reports published and circulated with the Board and implementing partners. Also available in the MAFIL website. CSR report is part of the Company's Integrated report

C. Healthcare Projects

1. Ma Care

Ma Care is a chain of polyclinics in Kerala that are committed to delivering high-quality radiology and lab services. Equipped with state-of-the-art technologies, Ma Care ensures seamless and modern healthcare delivery. With 14 departments offering speciality and super-speciality services, patients have the option for both walk-in consultations and online video consultations, as well as access to an online pharmacy. Ma Care's services extend across Thrissur and Ernakulam districts, catering to a diverse population. Funding Support provided by MAFIL: The total CSR support provided in 2022-23 was ₹ 18,05,50,609. 55.2% (₹ 9.97 lakhs spent on Capex) and remaining on Opex (Approx 8 Cr).

Observations by SAN Team

- The maintenance of infrastructure and equipment was good working order; regular preventive maintenance checks completed.
- The clinics were well-organized, with logically segregated areas and clear signboards, facilitating easy navigation for both staff and patients.
- Patient satisfaction was high, average ratings above 4.5 out of 5 for affordability, reputation, quality of care, behaviour of staff, and overall impression.

Survey Findings

- 56 Ma Care patients surveyed. Of this, 96.43% praised the friendly demeanour of the staff, while 92.86% rated the quality of services as excellent.
- 75% found services affordable, 79% felt the services provided were worth the fees.
- 98% expressed willingness to recommend Ma Care to others.
- Areas for potential improvement as per those surveyed include 30.36% suggesting expanded services and 23.21% indicating adjusting working hours to accommodate varying schedules.

Relevance:

- Universal Health Coverage (UHC) Contribution: Polyclinics ensure medical treatment and diagnostics

access, benefiting underprivileged areas like Thrissur, Palakkad, and Malappuram, aligning with UHC objectives.

- Affordable Healthcare: Offers affordable laboratory services reduces patient expenses, broadening healthcare access and supporting UHC goals.
- Alignment with GOI and UN SDGs: Commitment to service enhancement resonates with India's healthcare goals and UN SDGs, promoting good health and addressing inequalities.
- CSR Adherence: Subsidized medicines and lab facilities ensure healthcare access for disadvantaged individuals, aligning with CSR objectives.
- BPL Patient Discounts: Discounts for below poverty line patients increase healthcare affordability and accessibility.
- Advanced Diagnostics: Availability of MRI facilities enhances diagnostic capabilities, providing comprehensive healthcare services.
- Competitive Advantage: Comprehensive service range and superior CT options in comparison with other polyclinics. Current set-up comparable to Amala and Jubilee.

Effectiveness:

- With a focus on timely screening, administered 77,879 tests in Thrissur and Kaloor centres in 2022-23. Rigorous upkeep and maintenance ensure all equipment are in optimal condition.
- The state-of-the-art equipment, including a 1.5 Tesla Siemens MRI machine and a 128-slice CT scanner, enable complex procedures without exposing patients to harmful radiation.
- Patients choose Ma Care for its reputation and affordable cost, with satisfaction levels soaring as evidenced by unanimous praise for the hospital's services and staff courtesy.

Efficiency:

- Prioritizes early identification of illnesses through advanced MRI and CT equipment, particularly benefiting pregnant women.
- Affordable services, including discounted MRI scans and concessions for BPL.
- Efficient diagnosis is ensured through expedited lab processes and advanced imaging technologies,
- Streamlined workflow facilitated by well-organized clinic spaces.

Sustainability:

- Successful brand-building via comprehensive and affordable services



- Financial sustainability is achieved through a dual revenue stream, combining CSR support with revenue from services.
- Strategic investments in infrastructure, such as state-of-the-art diagnostic equipment, enhance operational efficiency and service quality, contributing to long-term ROI.

Social Impact:

- Increases healthcare accessibility by providing low-cost diagnostic services.
- Offering subsidized diagnostic services reduces the financial burden on poor patients.
- Timely investigations and affordable diagnostic services contribute to improved health outcomes.
- Patient-centred care approach fosters trust and engagement within the community.

The accessibility of affordable diagnostic healthcare remains a persistent concern, often resulting in increased out-of-pocket expenses and subsequent delays in accessing healthcare services. Despite advancements in healthcare leading to improved disease prevention and treatment, many individuals still lack access to low-cost, high-quality diagnostic care. Through its Ma Care polyclinic, MAFIL has been able to enhance access to low-cost diagnostic care for communities within and around the clinics.



2. Ambulance Project

The ambulance initiative in Thrissur and Ernakulam districts encompasses a fleet of seven vehicles, launched between

2016 and 2021, with the majority added in 2021 to enhance emergency response capabilities. The fleet comprises three types of ambulances: Basic Life Support (BLS) (1 No), Intensive Care Unit (ICU) (1 No), and Neonatal Intensive Care Unit (NICU) (5 Nos). The total funding support given by MAFIL is ₹ 1,47,25,688. ₹ 43 lakhs (29%) was spent towards capex. The remaining amount Approx 1.035 Crores (71%) was spent on Opex.

Observations by SAN Team

- All inspected ambulances were well-maintained and equipped, with meticulous record-keeping of equipment usage.
- Interviewed staff members expressed high satisfaction with their roles.
- Data was readily accessible via the helpline team.
- Feedback from ten patients via phone interviews showcased high satisfaction.
- Average rating of 4.5 for service quality, timeliness, and overall experience, and a perfect score of 5 for staff behaviour

Relevance:

- Addresses the critical need for accessible healthcare services, particularly among marginalized rural and semi-urban populations, with 34% of beneficiaries coming from below the poverty line.
- By strategically positioning ambulances in areas lacking quality healthcare facilities and providing affordable services, the program ensures timely access to medical care.
- Aligning with MAFIL's CSR goals and supporting UN SDG 3 for good health and well-being.
- Complements the government's efforts to enhance healthcare accessibility, catering to the underserved sections of society and levelling the healthcare playing field.

Effectiveness:

- The ambulance initiative has made a substantial impact by reaching 2,172 patients, attending to over 94% of the 2,308 calls received.
- Average patient satisfaction rating of 4.5 out of 5 across various parameters.
- Equipped to handle a wide range of critical cases and integrated with a network of reputable hospitals.
- Ambulances ensure timely emergency care and comprehensive medical support, reflecting the program's effectiveness in enhancing healthcare access and patient outcomes in Kerala.

Efficiency:

- Attends to at least 5 calls per day and covers a distance of 45 km / trip, demonstrating operational efficiency.
- Total 1,12,000 km run during the audit period.
- The availability of a hotline for immediate medical guidance and support
- Meticulously maintained ambulances and well-trained staff, contributes to the program's high responsiveness, rapid turnaround between calls.

Sustainability:

- While the initiative has provided essential support to rural healthcare infrastructure and achieved high staff retention rates through training and development, financial sustainability remains a concern, with 70% of funding provided by MAFIL.
- Efforts are needed to increase revenue generation and forge more partnerships to strengthen the ambulance service's network and support system, ensuring its long-term viability and continued impact on healthcare accessibility.

Social Impact:

- The initiative has significantly improved healthcare access, reduced health disparities, and created employment opportunities within the community, catering to lower socio-economic backgrounds and vulnerable populations.
- By addressing critical healthcare needs, fostering economic development, and minimizing environmental impact through technology integration, the program demonstrates a multifaceted social impact, contributing to enhanced well-being and sustainable community development in Kerala.

The MAFIL ambulance project stands as a commendable initiative aimed at bridging the gap in access to emergency healthcare services, particularly among marginalized communities in Thrissur and Ernakulam districts. With a fleet of specialized ambulances catering to critical care needs, the project has made significant strides in providing timely and life-saving interventions to those in need.



3. Mahima Counselling and Psychotherapy Centre

Mahima Centre works towards providing a holistic approach to addressing various psychological, developmental, and educational challenges individuals face across different stages of life. The centre offers a wide range of services tailored to meet the unique needs of clients, from children with speech delays to adults seeking career guidance or managing mental health issues. The total expenses of the centre 2022-23 was ₹ 44.69 lakhs, out of which 17.26 lakhs were covered through revenue generated from the services provided by the centre. MAFIL filled the gap funding with a support of 37.62 lakhs. Of this, 1 Lakh was earmarked for capital expenditure (capex) for the centre. Majority of the funds 36.5 Lakh Rupees (97%) was for Opex.

Observations by SAN Team

- Comprehensive range like group/individual therapy, couples counseling, individual sessions.
- Privacy, anonymity are being maintained, providing a non-judgmental, secure environment.
- Equipped with adequate resources, the centre offers timely services.
- Patients felt the centre was good compared to other centres in Kochi and Thrissur.
- High satisfaction levels on friendliness, respectful treatment received from the staff.

Survey Findings

- 25 respondents surveyed, highlighted positive feedback for Mahima Centre's services.
- 92% praised quality and 96% expressed satisfaction with the value for money.
- 96% said they would recommend Mahima to others.
- Improvement suggestions include expanding offerings (29%), extending operating hours (29%).

Relevance:

- Aligns with UN SDGs, including Good Health and Well-being (SDG 3) and Reduced Inequalities (SDG 10), acknowledging mental health's impact on overall well-being and societal equality.
- Addressing hearing impairments through early intervention complements government initiatives like RBSK, enhancing community health and well-being.
- Challenges such as stigma and lack of awareness hinder beneficiary receptivity, emphasizing the need for outreach to overcome barriers to access mental health support.

Effectiveness:

- Provides comprehensive services for mental health, speech, and hearing issues, serving a total of 1,476 patients.



- Improved well-being and mental health of patients
- The center identified 887 new patients, while 589 were returning patients.
- Efforts to expand outreach and increase patient numbers need to be intensified, given the scope of the center's impact.

**Efficiency:**

- Mahima boasts a skilled team comprising professionals such as clinical psychologists, psychiatric counsellors, audiologists, speech-language pathologists, LD trainers, and dedicated support staff. Individualised evidence-based approaches ensure patients receive tailored care, leading to improved well-being.
- Patient satisfaction stands at 92%, with 96% expressing contentment with the value for money.

Sustainability:

- Currently relies on MAFIL for operations, achieving financial independence is crucial.
- Understanding patient needs through surveys is essential to prioritize services and meet growing demand effectively.

Social Impact:

- Significantly improved the health and well-being of its patients, evidenced by positive feedback from beneficiaries.
- Helped reduce stigma around mental health issues through counseling services, thereby promoting psychological resilience.
- Contributed to reducing disabilities through early intervention and rehabilitation services, enabling individuals to lead more independent lives.
- Recognized the importance of geriatric care and has provided specialized support for older adults.

With a broad spectrum of customized services, Mahima Centres meet the unique needs of each client, from children with speech delays to adults seeking career guidance or mental health support.

4. Community Health Infrastructure

Manappuram Fitness & Sports Complex in Valapad offers a comprehensive array of premium fitness and recreational facilities tailored to diverse needs. The center boasts a state-of-the-art gym with personalized training programs, spacious relaxation lounges, and shower facilities. Additionally, the aquatic complex features a well-equipped pool with coaching sessions for swimmers of all abilities, including special programs for differently-abled individuals. The yoga centers in Thrissur and Valapad provide holistic wellness through various yoga disciplines taught by certified instructors. Completing the array of amenities is the badminton court, offering training programs and convenient access for enthusiasts. In 2022, support amounting to ₹ 1,48,21,498 was provided by MAFIL for this project. Of this, Approx 23.1 lacs was spent on Capex costs.

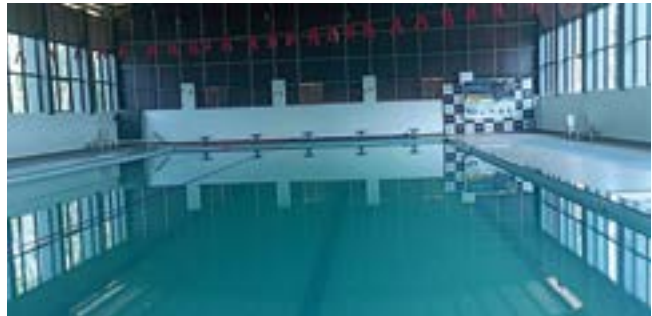
Project	Actual Spent (Lakhs)	CAPEX (Lakhs)	OPEX (Lakhs)
Manappuram aquatic complex	46,08,260	₹ 14.7 lacs (31.9%)	31.5
Manappuram badminton court	2,03,624	₹ 0.8 lacs (34.7%)	1.2
Manappuram fitness centre	24,37,203	₹ 7.5 lacs (30.7%)	16.9
Manappuram yoga centre	75,72,410	₹ 0.1 Lacs (0.1%)	75.4

Observations by SAN Team

- The swimming pool stands as a fantastic facility, boasting a large size and adherence to international standards. It is well-maintained and also equipped with modern amenities like shower rooms and separate timings for

different age groups, catering to the diverse needs of its patrons. Such high-quality infrastructure is often rare even in metropolitan cities like Chennai, making it a standout feature for the local community, offering a premium swimming experience.

- In Thrissur and Valapad, the Yoga Center provides a calm atmosphere and aesthetic appeal, with a serene environment for its practitioners. The centres have ample rooms that have adequate ventilation and lighting; this creates an atmosphere conducive to relaxation and mindfulness.
- The badminton courts at the Manappuram complex are of high standards, featuring two Yonex synthetic courts. In addition to quality physical infrastructure, the badminton academy offers psychological training to athletes, recognizing the importance of mental preparedness in sports performance. The complex also has amenities like shower rooms and individual coaching, ensuring that athletes have everything they need to excel in their sport.
- The premium gym sets a high standard for fitness facilities and has the latest infrastructure and equipment. With individualized assessment and personal fitness programs, it caters to the unique needs and goals of each member, providing tailored support and guidance on their fitness journey. The presence of experienced training instructors adds to the gym's appeal, offering expertise and motivation to help members achieve their fitness aspirations effectively.



Survey Findings

- 25 respondents surveyed, highlighted positive feedback for Mahima Centre's services.
- 92% praised quality and 96% expressed satisfaction with the value for money.
- 96% said they would recommend Mahima to others.
- Improvement suggestions include expanding offerings (29%), extending operating hours (29%).

Relevance:

- Offer modern facilities catering to diverse needs, fostering a culture of health and well-being within the community.
- Sole provider of such amenities in the area, these centres align with MAFIL's CSR objectives.
- Contribute to the Government of India's health mandates by providing spaces for various forms of exercise.
- Encouraging healthy lifestyle choices and addressing social issues like drug abuse.
- Align with the UN SDG by promoting health and well-being.

Effectiveness:

- Reached 6607 beneficiaries.
- Offers tailored programs across its gym, swimming academy, badminton court, and yoga centers.
- Enhanced health and well-being through physical and mental fitness activities.



- Facilities encourage youth to adopt healthy lifestyles by engaging them in structured training programs and promoting sportsmanship and teamwork.
- The high-quality infrastructure ensures exceptional experiences.
- Structured training led by certified professionals fosters skill development and discipline.

Efficiency:

- Distinguishes itself through personalized programs, offering tailored training sessions and coaching to cater to diverse needs and fitness levels.
- Personalized attention and professional expertise of the certified trainers.
- Safety measures are prioritized, with trainers emphasizing injury prevention strategies and water safety protocols in the swimming academy.
- Accessibility and affordability of the facilities contribute to cost savings for the community, making fitness more accessible to all socioeconomic groups.
- Convenience of having these facilities saves time otherwise spent on long commutes, allowing individuals to dedicate more time to exercise and wellness activities.

Sustainability:

- Modern fitness facilities contribute to the local community's health infrastructure.
- Offering affordable and well-maintained amenities enhance area's appeal and quality of life.
- Diverse activities promote overall health and well-being across different age groups.
- Capacity building of trainers ensures delivery of quality programs that meet evolving needs,
- Convenience and accessibility of local health infrastructure encourage increased participation rates, leading to improved health outcomes for the community as a whole.

Social Impact:

- MAFIL's commitment to inclusivity is evident through the aquatic complex's special programs catering to differently abled swimmers, ensuring equal access to physical activities and health benefits.
- By offering facilities promoting preventive healthcare choices like swimming, yoga, and gym workouts, MAFIL encourages regular exercise and wellness practices, contributing to community health infrastructure and resilience.
- Residents take pride in access to world-class amenities, enhancing their sense of belonging. Beneficiaries appreciate the unmatched facilities, fostering community

cohesion through shared fitness activities and strengthening social bonds.

The Manappuram Community Health Infrastructure represents a significant investment in the well-being of the Valapad community, offering a range of premium fitness facilities and wellness programs designed to cater to diverse needs and interests. Through the provision of state-of-the-art gyms, aquatic complexes, yoga centres, and badminton courts, MAFIL has succeeded in upgrading the local health infrastructure and promoting a culture of health and well-being within the community.

D. Skill Development Projects**1. Manappuram Institute of Skill Development**

In 2022-23, MASKILL delivered a Healthcare Assistant Certification Program. The project was aimed to provide students with a pathway to a successful job in the healthcare field. The course, which was created in collaboration with expert doctors and nurses gives students the knowledge and abilities they need to perform critical tasks related to patient care. The duration of the course was 300 hours. ₹ 41,79,534 was provided by MAFIL. Of this 3.3 lacs were spent on Capex and rest on Opex.

Observations by SAN Team

- The curriculum appeared to be well-organized and thoughtfully designed.
- Engaging sessions, which is important for maintaining the interest and attention of the participants.
- It was informed by the trainer and the students that regular assessments were conducted during the course of the program.
- The students seemed receptive to the course and were very earnestly responding to the queries raised by the trainer.
- The classrooms were well-equipped and ventilated. The seating and the facilities like library were adequate, creating a comfortable and conducive learning environment.

Survey Findings

- 26 students responded to an online survey questionnaire sent via Survey monkey.
- 81% surveyed cited their interest in the healthcare industry as the primary motivation for enrolling in the course.
- 54%, discovered the course through social media channels.
- 35% were introduced to the program by friends or family members.
- 89% of respondents rated MISD's reputation as excellent.
- 85% expressed high satisfaction with the course overall, with 15% reporting satisfaction.

- All participants unanimously agreed that the course fees were affordable and reasonable.
- 96.15%, lauded the quality of trainers.
- 96% acknowledged the practical sessions as beneficial to their learning journey.
- 100% of respondents expressed their willingness to recommend the course to others.
- 73% of students identified as first-generation learners.

Relevance:

- There is a serious dearth of nursing assistants and healthcare assistants not only in professional health settings but also in private homes.
- Eligibility for enrolment is those who have passed 10th Std. This inclusive criterion ensures that many can embark on a journey towards a career in the healthcare sector.
- One of the few centers offering this program in Thrissur, MASKILL is commended for its commitment to making quality education accessible at an affordable cost.
- There are institutes that offer this course in Thrissur and Kochi, but none are this affordable.
- Program contributes to Goal 3: Good Health and Well-being.
- MAFIL's and MASKILL view of aligning this course with the National Skill Development Corporation (NSDC) is in line with GOI's skill development priorities.

Effectiveness:

- The project offers a detailed and comprehensive module that focuses on pertinent areas.
- effectiveness of the program accredited by NSDC is evident through its mix of classroom and practical sessions.
- Skilled trainers with industry experience, who gave them comprehensive guidance and support throughout their training.
- Collaborations with hospitals are invaluable for students' pursuing careers in healthcare. These tie-ups offered opportunities for practical training, internships, and ultimately, employment placement.

Efficiency:

- The 3-month period was found to be a reasonable training period to absorb information effectively without feeling overwhelmed.
- The program had a sufficient number of trainers to ensure that students receive personalized attention and guidance.

- The conducive learning environment well-equipped classrooms gives students the necessary resources to enhance learning.
- The program was affordable and enabled students from diverse socioeconomic backgrounds to pursue their educational goals without facing financial barriers.

Sustainability:

- Currently, the program relies on operational expenses (Opex) fees supported by MAFIL. However, it's noted that the fees don't cover the overall expenses of the program. This indicates a financial gap that needs to be addressed.
- The MASKILL team has established a good rapport with hospitals, which is beneficial for student placement and practical training opportunities.
- While technical skills have been focused upon, there is a need to emphasise on soft skills development.

Social Impact:

- By providing training to become healthcare assistants, the program helps address the shortage of qualified personnel in both professional health settings and private homes.
- Inclusive enrolment criteria, open to individuals with diverse backgrounds, promotes access.
- Helped the students in finding a job, as evidenced by 92% (24 students) finding employment after completion.
- Through its focus on healthcare training and skill development, the program indirectly contributes to improving health outcomes.
- The program's affordability breaks down financial barriers and promotes educational equity.

The Manappuram Institute of Skill Development's Healthcare Assistant Certification Program has demonstrated remarkable success in providing students with the skills needed to secure a job in the healthcare industry. There is scope to refine the project, especially when it comes to guaranteeing financial sustainability, improving training in soft-skills and strengthening data management procedures. By addressing these gaps and implementing the strategies, the institute can solidify its position as a leading provider of skill development training in Valapad and create a more significant impact on the healthcare workforce in the geographic area.





2. Manappuram Institute of Automotive Skills (MAIAM)

Manappuram Institute of Automotive Skills (MAIAM) is the automotive skills development unit of Manappuram. One of the key courses offered is that of the Automotive Body Repair Technician. The students are trained on repairing vehicle bodies and frames damaged due to major or minor dents. The duration of the program is 1 Year (8 Months Institutional Training + 4 months Internship training in various dealerships). In 2022-23, 49 students were enrolled as part of the program. All 49 passed out while 37 were placed in various organizations. The total amount spent on the program was ₹ 50,03,726. Of this, ₹11.6 lacs were allocated for purchase of an interlocking and tool set. ₹27.7 Lacs was earmarked for salaries, consumables, and spares, while ₹3.1 lacs were designated for other expenses.

Observations by SAN Team

- The institute is operating at a high standard. Both theory and workshops were conducted.
- The premises was well-maintained and fully equipped for training purposes.
- Stakeholder consultations revealed unanimous satisfaction among those involved.
- It was evident that MAIAM's reputation played a significant role in attracting students.
- Being the sole provider within the area, MAIAM has established as a trusted training institute.

Survey Findings

- 31% enrolled due to online and social media advertisements, 50% via friends/family.
- Students rated the course structure highly (4.41/5).
- 98% of students expressed satisfaction with practical sessions and workshops.
- 80% found the course fees reasonable.
- 91.84% of students felt happy to be part of MAIAM.
- 94% of students received placement support, with 75% securing jobs after the course.
- 45% earned between 10,000 and 25,000, reflecting varied post-course earnings.
- 94% first-generation learners; promoting social mobility and empowerment.
- 100% of employed students were able to apply learned skills in their work.
- All surveyed students expressed willingness to recommend the course.

Relevance:

- MAIAM offers a well-received automotive-body repair training course catering to individuals with a minimum 10th-grade education and at least 18 years old.

- This initiative addresses the need for skilled technicians in the automotive sector while providing a career path for those with limited educational backgrounds.
- The program offers scholarships for both Below Poverty Line (BPL) and Above Poverty Line (APL) students, promoting inclusivity and accessibility.
- Being the first central government approved ASDC accredited institution in Kerala for such training, MAIAM leads in high-tech skill development in the region.
- Aligns with NSDC and contributes to UN SDG Goal 1, Goal 8, and Goal 10, aiming to eradicate poverty, promote decent work and economic growth, and reduce inequalities.

Effectiveness:

- The program offers 8 months of institutional training followed by a 4-month dealership internship, ensuring hands-on experience for job readiness.
- The program boasts high-tech training and a high placement rate, reflecting industry relevance and success in generating employment opportunities.
- Students appreciate the practical focus, up-to-date materials, and teacher support, fostering confidence and skill development.
- MAIAM provides specialized training unavailable elsewhere in Thrissur.
- The infrastructure and facilities cater to students' learning needs, with well-equipped workshops facilitating effective training.

Efficiency:

- MAIAM integrates technology into its training, supported by experienced trainers and industry collaboration, ensuring graduates meet the automotive sector's demands.
- 75% job placement rate, preparing students for successful entry into the workforce.
- All the students felt that the course was affordable.

Sustainability:

- Emphasized sustainability through improved access for needy trainees, offers opportunities for further education while employed to advance careers in the automotive industry.
- Network of dealer tie-ups provides diverse internship and job placement opportunities. Students benefit from hands-on training in workshops, gaining practical experience.
- Addresses skill gap in the automotive industry by focusing on consistent skills development.

Social Impact:

- **Youth Empowerment:** The institute contributed to the empowerment of rural youth by providing them with a platform to develop skills that addresses the pressing demand for skilled Automotive Body Repair Technicians.
- **Enhanced Employability:** The program equips trainees with essential skills and hands-on experience, enhancing employability.
- **Rural Economic prosperity:** MAIAM is committed to bridging the gap between the supply of skilled workers and industry demand in the Valapad area. This helps not just the students but also the local industries.
- **Support in reducing poverty:** It offers a transformative opportunity for first-generation learners to break the cycle of inter-generational poverty.
- **Improved income prospects:** MAIAM offers a pathway towards economic prosperity for rural participants.

MAIAM has given its students the tools they need to succeed in the automobile business by providing them with practical skills and training to become automobile Body Repair Technicians.

The strong course structure, practical training, excellent placement rates, and stakeholder satisfaction, demonstrate the program's effectiveness. Scholarships for students who fall below the poverty line (BPL) and above the poverty line (APL) are one way that the institute demonstrates its commitment to inclusivity and to giving everyone equal chances. MAIAM's support for socio-economic development and empowerment is demonstrated by its alignment with the Sustainable Development Goals, specifically Goal 1 (Zero Poverty), Goal 8 (Decent Work and Economic Growth), and Goal 10 (Reduced Inequalities).



3. Deen Dayal Upadhyaya Grameen Kaushalya Yojana

The DDUGKY initiative by MAFIL is a key component of India's National Rural Livelihood Mission (NRLM) aimed at fostering the economic development of rural youth by equipping them with necessary skills to secure stable employment. The typical age group of the students in these programs is 18-34 years. However, MAFIL, opts for students with a maximum age limit of 30 years with a view to increase employability. Students benefit from comprehensive support covering tuition fees, food, accommodation, uniforms, books, and even travel expenses for residential programs. ₹ 83.75 lakhs was supported by MAFIL. Of this, 5.7 lakhs (Approx 5.6 % was Capex. The initiative provided support to a total of 140 students.

Observations by SAN Team

- The center is fully equipped, has a CCTV and voice monitoring systems.
- Activity cum Lesson Plans (ACLP) are prominently displayed in all classrooms, and trainers strictly adhere to them.
- The computer lab consists of 35 systems, ensuring that every student has access.
- There were no significant complaints about hostel facilities or food.
- There is a strong bond between the placement head, trainers, and trainees.
- All trainees are provided with study materials, two sets of uniforms, and a tablet.

Survey Findings

- The initiative provided support to a total of 140 students.
- Among them, 78 students were from Kerala, while 62 students were from Tamil Nadu.
- In terms of religious affiliation, 69% identified as Hindu, 21% as Muslim, and 11% as Christian.
- 53% women. The program also has a broad reach among individuals with bachelor's degrees or higher secondary education (12th or +2).



- Of the 140 students, 106 (75%) managed to find a job as per the data provided by the team.
- All TN students from Tamil Nadu were placed whereas 44 students (66%) were confirmed to be placed in Kerala. The placement details of the remaining students (34 students) were not available or presented during the time of the audit.

Relevance:

- Implemented in regions like Pollachi and Malappuram to upskill youth from socio-economically disadvantaged backgrounds.
- By integrating (NSQF) and (NOS), the initiative ensures standardized and industry-relevant training. The project aligns with GOI and international frameworks, including the UNSDG and NSDC.

Effectiveness:

- MAFIL has meticulously curated content and curriculum for its vocational training programs. With a focus on practical on-the-job training and exposure to modern facilities, trainees gain hands-on experience with relevant applications like Tally and GST software, enhancing their employability.
- Exposure to technology through IT and digital literacy training further enhances their job prospects in the digital age.
- Provision of hostel accommodation and additional support services have been instrumental in increasing female enrolment and facilitating student success.

Efficiency:

- The training programs were delivered in a timely and organized manner in the local language,
- The program demonstrated success in employment outcomes, with 75% of participants securing jobs, facilitated by the placement team's efforts in liaising with over 40 companies.
- The minimum salary offered was 10,000 rupees.

Sustainability:

- The financial sustainability of the project is ensured with a 60% allocation from the Central Government and 40% from the State Government.

Social Impact:

- The project focused on empowering rural youth.
- Enhancing their individual economic prospects and uplifting the socioeconomic status of their families and communities.
- Gender inclusion was also a key aspect of the project's social impact.

- Participants experienced increased confidence, enabling them to engage confidently in personal and professional settings, fostering effective networking and relationship-building skills.
- The project's efforts also contributed to poverty reduction.
- By reaching youth from socio-economically disadvantaged backgrounds, the project promoted inclusive development within rural and marginalized communities, fostering overall community empowerment and development.

Through strategic partnerships with the National Rural Livelihood Mission and the National Skill Development Corporation, the DDUGKY initiative by MAFIL has successfully reached out to marginalized communities, empowering them with the tools and knowledge needed to secure stable employment opportunities. By providing holistic support covering tuition fees, accommodation, and even travel expenses, the program addresses various barriers that rural youth face in accessing skill development initiatives. The project's focus on gender inclusion and women's empowerment, along with its commitment to reaching socio-economically disadvantaged groups, underscores its dedication to inclusive development. With its well-designed curriculum, and robust placement efforts, this project serves as a model for skill development programs aimed at bridging the rural-urban divide and creating a more equitable and prosperous society.

**E. Education Projects****1. Manappuram Geetha Ravy School (MAgeet)**

Manappuram Geetha Ravy School, commonly known as MAgeet, is situated in the Valappad area and is dedicated to delivering quality holistic education to local children. The school adopts a unique educational approach, integrating the Montessori system for early childhood

education (up to Class 2) and transitioning to the CBSE curriculum from Class 3 onwards. This dual approach ensures a balanced, comprehensive education that prepares students for academic success, competitive exams, higher education, and life skills. Initially launched as Ma Geet Creche and Montessori School in 2015, the school started with 26 students focused on the Montessori method. By 2023, it had grown significantly, enrolling around 596 students and establishing itself as a prominent CBSE educational institution in the region.

In the fiscal year 2022-2023, Ma Geet received a donation of ₹9,48,13,962 from MAFIL.

Key Observations by SAN Team:

- Emphasis on individualized and customized learning in kindergarten allows children to progress at their own pace, fostering independence and pride in achievements.
- Classrooms are well-organized, inviting, and conducive to a positive learning atmosphere.
- Higher class students express high satisfaction with respectful and supportive teachers.
- Outstanding amenities, including smart classes, air conditioning, and robust safety measures, were highly appreciated by students and parents.
- While teaching standards are comparable to other CBSE schools, Ma Geet's infrastructure is considered superior.

Relevance:

- Adoption of the CBSE curriculum aligns with national educational standards.
- Fills a crucial gap in the Valappad area, providing unique educational services within an 8 km radius.
- Supports Government of India's educational mandates and UN SDG 4.

Effectiveness:

- Emphasis on Montessori education ensures holistic development, especially in rural areas.
- Teachers are well qualified and equipped to provide individualized learning experiences.
- Importance placed on extracurricular activities for holistic development.
- Robust measures in place to ensure a safe and secure learning environment for students.
- Active participation and collaboration between parents and teachers.

Efficiency:

- Balanced fee structure in place to provide quality education at an affordable cost.

- Effective Montessori program leading to increased admissions, but challenges in retaining students beyond Class 6 and 9.
- Optimal Student-Teacher ratios maintained for personalized attention.
- High levels of teacher satisfaction contribute to stability and teacher retention.

Sustainability:

- Focus on equipping students with essential skills for future success leading to college education.
- Environmental Sustainability measures in place by integrating of eco-friendly buildings and solar power systems.

Social Impact:

- Empowers students to realize their full potential through Holistic Education.
- Addresses educational disparities in rural communities leading to Reduced Inequalities.
- Promotes sustainability and environmental responsibility.
- Fosters a supportive and inclusive learning environment.

Manappuram Geetha Ravy School has made significant strides in providing quality education through a balanced and holistic approach. Addressing the highlighted areas for improvement, particularly in English proficiency and curriculum consistency, will enhance the school's ability to offer a seamless and high-standard educational journey for all students.

2. Mukundapuram Public School

Mukundapuram Public School (MPS) is an ICSE school located in Nadavaramba, Irinjalakuda, Thrissur district, with a campus spanning 6.54 acres. Affiliated with the Council for the Indian School Certificate Examinations (ISCE) in New Delhi, the school focuses on student-centered, activity-driven education. The school, established 15 years ago, has completed 14 batches, indicating its stability and experience in education. The school had 655 students, 46.4% of whom were girls. Most students were from middle-class backgrounds. 52 teaching and 51 non-teaching staff work at MPS.

In 2022-23, MPS received ₹ 4.147 crore from MAFIL.

Key Observations

- The school has an impressive infrastructure and modern facilities, emphasizing technology integration in the learning environment.
- MPS provides Montessori education in kindergarten, highlighting its commitment to holistic learning for young children.



- There is a significant dropout rate post-10th standard, primarily due to the challenges posed by the ICSE curriculum.
- There is a noticeable discomfort and poor command over the English language among students and some teachers.

Relevance

- MPS addresses the need for quality education in Thrissur, especially for middle-income families.
- MPS stands out due to its superior infrastructure and quality commitment, despite limited alternatives like Don Bosco within a 20-km radius.
- MPS caters to middle-income families' aspirations for high-quality education, contributing significantly to social mobility.

Effectiveness

- Offers Montessori education in KG and ICSE curriculum for other grades, fostering critical thinking and holistic understanding.
- State-of-the-art facilities, including robotics and science labs, support experiential learning.
- Emphasis on student-centered learning methodologies and the integration of technology.
- Provides a wide range of activities like AI, robotics, and sports.
- High priority on safety with CCTV surveillance and trained security personnel.
- Strong Parent-Teacher Association enhances the educational experience of the child.



Efficiency

- Optimal use of resources, modern facilities, and a focus on experiential learning.
- Maintains an optimal Teacher-Student Ratio to facilitate individualized attention.
- Challenges in retention rates in higher grades due to the ICSE curriculum's difficulty.

Sustainability

- Reliant on MAFIL for 50% of running costs, suggesting a need for exploring additional revenue streams.
- Emphasis on digital literacy and effective use of technology in teaching thereby leading to Technology Integration and creating digital content.

Social Impact

- Provides access to high quality education in a semi-urban area, preparing students for future success.
- Equips students with necessary knowledge and skills for a competitive world.
- Welcomes students from diverse backgrounds, promoting social mobility, Inclusivity and Diversity.
- Actively encourages parent participation to enhance students' academic success.

Mukundapuram Public School continues to strive for excellence in providing quality education, with a strong focus on holistic development and community involvement. However, addressing challenges in dropout rates and language proficiency, and ensuring financial sustainability remain critical for its continued success.

3. Manappuram Coaching Academies

Established in 2013, the Manappuram Academy of Professional Education or Ma Campus is dedicated to providing coaching classes for CA,CS and CMA courses. Currently, these courses are available at the Valappad and Thrissur Centers.

Manappuram Academy for Entrance Coaching offers coaching for NEET, AIIMS, JIPMER, IIT, NIT, IIIT, etc. to students who are aspiring to enter into various professional courses in Medical and Engineering colleges and various other institutes of repute offering degrees in pure and applied sciences, viz. IISc., IISER, NISER, etc.

- Ma Campus: A total support of ₹ 1,10,92,620 was provided to the two centres of MA Campus. Of this 99% was towards Opex.
- Ma Academy: During the same period, MAFIL supported two centres of MAEC with funding support of ₹ 2,49,52,301. 65% Capex to Valappad and 1 % Capex to Palakkad.

- The coaching centres reached a total of 633 beneficiaries during the period. Ma Campus reached 256 students and Ma Academy reached 377 students.

Observations by SAN Team

Ma Campus

- Only a small number of similar academies (local chapters of ICAI, ICMAI, ICSI and Ma Campus) operate within the program area and provide the same type of courses.
- Good infrastructure, with classrooms and facilities meeting the recommended standards- like being spacious, well-ventilated and with ample lighting.
- The institute provides students with opportunities to pursue articleship.
- Premises feature a library, digital resources.

Ma Academy

- The academy's strategic location ensures accessibility.
- The centre offers tailored support to students from diverse socioeconomic backgrounds.
- Provides rural students access to infrastructure and coaching found only in urban settings.
- Vital resources for exam preparation, including comprehensive study materials and ample practice opportunities provided to students.

Study Findings

Ma Campus:

- 75% reported excellent or very good reputation.
- 50% praised the highly structured and organized curriculum.
- 50% considered course fees reasonable.
- Close to 90% rated trainers and coaches as good.
- 100% reported positive experiences after graduation.
- 100% expressed happiness in being associated with Ma Campus.
- 90% successfully found employment post-graduation.
- 75% earned a monthly average salary of 40,000 or more.
- Close to 63% identified as first-generation learners.

Ma Academy:

- 80% reported excellent or very good reputation.
- 80% found the curriculum highly structured and organized.
- 60% considered course fees reasonable.
- 100% rated trainers and coaches as good.
- 80% reported positive experiences after graduation.

- 80% expressed happiness in being associated with Ma Academy.

- Close to 60% identified as first-generation learners.

Relevance:

Ma Campus:

- Offers coaching for professional courses like CA,CS and CMA promoting quality education.
- Provides scholarships and tailored support to students from marginalized backgrounds,
- Aligns with Government of India (GOI) mandates by enhancing employability.
- Supports underprivileged students by offering affordable coaching and facilitating job placement assistance, contributing to inclusive growth and socioeconomic parity.

- Aligns with MAFIL's objectives by focusing on empowerment and skill development.

Ma Academy:

- Focuses on coaching for medical and engineering entrance exams, particularly in rural areas, addressing the pressing need for quality education and improving health outcomes.
- Provides scholarships and support to underprivileged students.
- Aligns with GOI mandates by promoting excellence in higher education.
- Supports MAFIL's objectives by promoting education and skill in underserved communities.

Effectiveness:

Ma Campus:

- MAPE facilitates completion of professional courses like CA,CS and CMA with a strong reputation among 75% of participants.
- Provides conducive learning environment with spacious classrooms, essential resources, and digital materials.
- Offers practical learning experiences through articleship opportunities, preparing students for real-world challenges.

- Adequate number of teachers with 3-4 years of experience, rated highly by close to 90% of respondents.

- All students report positive post-graduation experiences, reflecting the institute's dedication to holistic support.

Manappuram Academy:

- Offers tailored coaching programs for medical and engineering entrance exams like NEET, JEE, AIIMS, etc., providing comprehensive preparation.



- Acknowledged by 80% of participants for excellent or very good reputation and highly structured course offerings.
- Unanimous agreement on the quality of trainers and coaches, highlighting dedication to high instructional standards.

Efficiency:**Ma Campus:**

- Ensures equal opportunities by offering courses at affordable costs compared to other centers, enhancing livelihoods, and earning potential for students from diverse backgrounds.
- Efficiently utilizes resources to deliver quality education and support services.
- Demonstrates effective utilization of educational framework and industry connections, with 90% reporting successful job placements.
- Balances affordability and quality, with reasonable course fees deemed acceptable by half of surveyed students, contributing to efficient resource allocation and student satisfaction.

Ma Academy:

- Highly structured course format and unanimous satisfaction with staff quality.
- Provides scholarships ranging from 25% to full coverage, promoting inclusivity.
- Effective management of educational resources to facilitate learning.

Sustainability:**Ma Academy**

- Maintains quality standards and fosters relationships with students and alumni, ensuring continued relevance.
- Commitment to providing educational opportunities to first-generation learners promotes sustainability and educational equity.
- Focus on comprehensive study materials, practice opportunities, and mentorship prepares students for entrance exams, equipping them for success.

Ma Campus

- Consistently meets educational needs while maintaining quality standards, contributing to long-term viability.
- Strong reputation, alumni connections, and positive post-graduation experiences enhance relevance.
- Commitment to promoting educational accessibility, exemplified by 63% first-generation learners, fosters inclusivity and sustainability for future generations.

Social Impact:

- By strategically locating centers in rural regions, they mitigate urban-rural disparities in educational opportunities, enabling rural students to access professional and entrance coaching that would otherwise be unavailable to them.
- Access to quality education leads to creation of new job opportunities and avenues for growth within rural areas, stimulating rural economic progress.
- Ma Academy offers coaching courses accessible to students of both genders, regardless of socio-economic backgrounds, thus breaking gender disparities.
- Both institutions ignite aspirations in rural students, particularly first-generation aspirants to careers in engineering or medicine, providing access to high-quality coaching services and encouraging female students to aim for professional careers.
- Ma Academy and Ma Campus contribute to social mobility by breaking the cycle of poverty and providing pathways to a brighter future for underprivileged students.

Ma Campus and Ma Academy can continue to serve as catalysts for positive change, empowering individuals, uplifting communities, and shaping a brighter future for generations to come, as it has demonstrated commendable effectiveness and impact.

IV. ALIGNMENT WITH UN SDG**Goal 3: Good Health and Well-being**

- Ambulance Project: Provides timely access to emergency healthcare services, particularly to marginalized communities, fostering good health and well-being.
- Ma Care: Offers high-quality healthcare services and diagnostic facilities, contributing to better health outcomes and reduced mortality rates.
- Mahima: Provides mental health counseling and support for educational difficulties, directly promoting good health and well-being within the community.
- Gym, Swimming academy, Yoga Centre, and Badminton Court: Promotes physical fitness, mental well-being, and preventive healthcare through fitness facilities and wellness programs.

Goal 4: Quality Education

- Ma Geet: Prioritizes quality education for children, focusing on holistic development and transitioning to the CBSE curriculum.
- Mukundapuram Public School: Provides high-quality education with a focus on contemporary, student-centred learning, promoting gender equality and reducing educational inequalities.

- DDUGKY: Offers comprehensive skill development and training opportunities, enhancing the quality of education and promoting gender equality and social inclusion.
- Ma Academy and Ma Campus: Provide coaching classes for professional courses and entrance exams, ensuring inclusive and equitable quality education for all.
- Ma Care: Offers specialized healthcare services benefiting women and promoting gender equality.
- DDUGKY: Actively engages and supports female participants, promoting gender equality in access to education and employment.
- MASKILL: Provides opportunities for both men and women to enter the healthcare workforce, contributing to gender equality.

Goal 8: Decent Work and Economic Growth

- Ambulance Project: Creates employment opportunities within the community, fostering local economic development.
- Ma Care: Creates employment opportunities across various specialties and super-specialties, contributing to decent work and sustainable economic growth.
- DDUGKY, MASKILL and MAIAM: Contributes to creating decent work opportunities and fostering economic growth through vocational training and job placement efforts.
- Ma Academy and Ma Campus: Equip students with skills necessary for employment, contributing to economic growth.

Goal 9: Industry, Innovation, and Infrastructure

- Ambulance Project: Integrates technology such as GPS tracking and maintenance processes, contributing to industry, innovation, and infrastructure.
- Gym, Swimming academy Yoga Centre, and Badminton Court: Establishes modern fitness facilities, enhancing local infrastructure and community access to quality health resources.

Goal 10: Reduced Inequalities

- Various projects like the Ambulance Project, Ma Care, Mahima, Gym, swimming academy, DDUGKY, MAgeet, Mukundapuram Public School, Ma Academy, and Ma Campus offer services that reduce inequalities in access to healthcare, education, and employment opportunities.

Goal 11: Sustainable Cities and Communities

- Ambulance Project: Positions ambulances strategically in areas lacking healthcare facilities, contributing to sustainable and resilient communities.

- MAcare: Contributes to building sustainable and resilient communities by promoting access to essential healthcare services.
- Gym, Swimming academy, Yoga Centre, and Badminton Court: Enhances the quality of life in the community by providing access to premium fitness facilities.
- Mukundapuram Public School: Provides quality education in semi-urban areas, contributing to sustainable communities.
- MAgeet: Promotes environmental conservation and sustainable practices, contributing to sustainable communities.

Goal 12: Responsible Consumption and Production

- Mukundapuram Public School emphasizes environmental sustainability by planning to implement recycling programs and energy-saving measures.

Goal 13: Climate Action

- MAgeet emphasizes environmental conservation and eco-friendly practices, aligning with the goal of combating climate change.

Goal 17: Partnerships for the Goals

- Various projects like the Ambulance Project, Mahima, Gym, swimming academy and MAskill leverage partnerships with hospitals and local authorities to expand their reach and impact, demonstrating the importance of partnerships in achieving sustainable development objectives.

V. CONCLUSION

The MAFIL CSR initiatives implemented by Manappuram Foundation has displayed effective social responsibility, exemplifying a commitment to educational, health and livelihood empowerment. By providing affordable and quality support to those truly in need, MAFIL has successfully reached 90,282 beneficiaries from diverse socio-economic backgrounds, creating good social impact. The initiatives' strategic outreach to rural regions and focus on underprivileged communities' underscores MAFIL's dedication to narrowing disparities and promoting sustainable socio-economic development within rural areas. Overall, the MAFIL CSR initiative emerges as a transformative force, enriching lives, and catalysing positive change within communities.



Annexure - V

**MR-3
SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31st MARCH 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Manappuram Finance Limited,
W-4/638A,
Manappuram House,
Valapad, Thrissur,
Kerala - 680567

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Manappuram Finance Limited** (CIN L65910KL1992PLC006623) (hereinafter called "the Company"). Secretarial Audit was conducted for the financial year ended 31st March 2024 in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the 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 authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2024, 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 examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial year ended on 31st March 2024, according to the provisions of:

- (i) The Companies Act, 2013 and the rules made thereunder to the extent applicable;
- (ii) The Securities Contracts (Regulation) Act, 1956 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 made thereunder to the extent of External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:

- (a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (b) The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021
- (c) The Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993;
- (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (e) Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable to an equity and debt listed company;
- (f) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (g) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (h) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulation, 2021.
- (vi) The other laws as applicable specifically to the company and as examined by us are stated hereunder:
 - (a) The Reserve Bank of India Act, 1934;
 - (b) Master Direction- Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016;
 - (c) Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015;
 - (d) Raising Money through Private Placement of Non-Convertible Debentures (NCDs) by NBFCs – RBI Guidelines;
 - (e) Master Direction- Reserve Bank of India (Non-Banking Financial Company-Scale Based Regulation) Directions, 2023 (Limited to Corporate Governance Compliance).

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

- (a) Secretarial Standards on Board Meetings and General Meetings issued by The Institute of Company Secretaries of India.
- (b) The Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited for listing its equity and debt securities.

(viii) Based on the information and explanation provided to us, the Company had no transactions during the period covered under the Audit requiring the compliance of the provisions of:

- (a) Foreign Direct Investment and Overseas Direct Investment;
- (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
- (c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Woman Director and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, except in case of shorter notice, where proper consent was taken. Further, 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.

Majority decision is carried through and recorded as part of the minutes. There were no dissenting members' views required to be captured in the minutes.

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

We further report that the following specific events / actions had/ shall have a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above:

i. The Company has raised an amount of ₹ 25 Crores (2500 Secured Listed Rated Redeemable Non-Convertible Debenture of (Face value of ₹1,00,000/- per debenture) on a private placement basis.

ii. The Company has raised an amount of ₹ 200 Crores (20,000 Secured Listed Rated Redeemable Non-Convertible Debenture of (Face value of ₹ 1,00,000/- per debenture) on a private placement basis.

iii. The Company has raised an amount of ₹ 600 Crores (60,000 Secured Listed Rated Redeemable Non-Convertible Debenture of (Face value of ₹ 1,00,000 per debenture) on a private placement basis.

The aforesaid borrowings by the Company were within the overall limits approved by the shareholders of the company under Section 180 (1) (c) of Companies Act, 2013.

For **KSR & Co Company Secretaries LLP**

Dr .C. V. Madhusudhanan,

Partner

FCS:5367; CP:4408

UDIN: F005367F000443321

PR.No: 2635/222

Date: 24th May 2024

Place: Coimbatore

**Annexure - VI****ADDITIONAL DISCLOSURES W.R.T. ESOS 2016**

- (i) Employee wise details of options granted/ Restored from Lapsed options to –
 - a) Senior Managerial Personnel of Manappuram Finance Limited: Nil
 - b) Senior managerial personnel of Subsidiary - Manappuram Insurance Brokers Limited/ Asirvad Micro Finance Limited/ Manappuram Home Finance Limited/ Manappuram Comptech and Consultants Limited: Nil
- (ii) Any other employee who receives a grant in any one year of options amounting to 5% or more of option granted during the year: Nil
- (iii) Identified employee 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
- (iv) Number of shares arising as a result of exercise of options: 40,000

Money realized by exercise of options under ESOS 2016 during the FY 2023-24: ₹49,30,000.00 (Rupees Forty-Nine Lakh and Thirty Thousand Only)
- (v) Disclosure of Weighted average exercise price and Weighted average fair value is not applicable as there is only one exercise price.
- (vi) Options Vested during the year: Nil

Annexure - VII

REMUNERATION AS REQUIRED UNDER SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Details Pertaining to Remuneration as Required Under Section 197 (12) of the Companies Act, 2013 Read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i. The percentage increase in remuneration of each Director, Chief Financial Officer, and Company Secretary during the financial 2023-24, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2023-24 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sl No.	Name of Director/ KMP and designation	% Increase in Remuneration in the Financial Year 2023-24	Ratio of remuneration of each Director/KMP/to median remuneration of employees
1.	Mr. V P Nandakumar (MD & CEO)	11.07	712.02
2.	Mr. Shailesh J Mehta (Chairperson)	14.71	43.35
3.	Mr. P Manomohanan (Director)	20.03	14.54
4.	Adv. V R Ramachandran (Director)	20.18	18.86
5.	Mr. Abhijit Sen (Director)	14.36	21.79
6.	Mr. Harshan Kollara (Director)	9.82	16.93
7.	Mr. S R Balasubramanian (Director)	21.52	12.63
8.	Ms. Pratima Ram (Director)	166.99	14.34
9.	Adv.V.P.Seemandini (Director)	391.67	13.20
10.	Mr. T C Suseel Kumar (Director)	NA	4.86
11.	Mr. Rajagopal (Director)	NA	2.94
12.	Mr. E.K. Bharat Bhushan (Director)	NA	1.03
13.	Dr. Sumitha Nandan V (Executive Director)	371.24	53.21
14.	Ms. Bindu A L (CFO)	23.39	57.98
15.	Mr. Manoj Kumar V R (CS)	40.18	17.28

*Mr.Gautam Ravi Narayan (DIN: 02971674) has been resigned from the Board as Non-Executive Non-Independent director w.e.f April 04, 2023 and he has not drawn any amount as remuneration during the period

- The median remuneration of employees of the Company during the financial year 2023-24 was ₹0.29 million.
- In the financial year, there was an increase of 5% in the median remuneration of employees.
- There were 22,470 permanent employees on the rolls of Company as on March 31, 2024
- Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e., 2023-24 was 3.31% whereas the increase in the managerial remuneration for the same financial year was 19%.
- It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel, and other Employees

10 EMPLOYEES IN TERMS OF REMUNERATION DRAWN DURING THE FINANCIAL YEAR 2023-24

Sl. no	Employee Name	Designation	Educational Qualification	Age	Nature of Employment	% of equity shares held by the employee in the Company	Experience* (Years)	Date of Joining	Gross Remuneration paid (in million)	Previous Employment and designation	Whether employee is a relative of any director or manager of the company, if so, name of such director or manager
1	V.P.Nandakumar (MD & CEO)	MD & CEO	M.sc CAIIB (Part-I), PGDFT (IIFT)	69	MD & CEO	29.00%	32	15/07/1992	206.87	Officer, Nedungadi Bank	Yes. Dr. Sumitha Nandan
2	Bindu. A. L.	President	Chartered Accountant	50	Chief Financial officer	0.01%	26	15/06/1998	16.84	Mohandas & Associates Chartered Accountants, Audit Assistant	No
3	Dr. Sumitha Nandan V	Executive Director	M.S. (OBSTETRICS & GYNAECOLOGY), MBBS	43	Executive Director	Nil	5	1/1/2023	15.46	CEO (OGL) Manappuram Finance Limited	Yes VP Nandakumar



Sl. no	Employee Name	Designation	Educational Qualification	Age	Nature of Employment	% of equity shares held by the employee in the Company	Experience* (Years)	Date of Joining	Gross Remuneration paid (in million)	Previous Employment and designation	Whether employee is a relative of any director or manager of the company, if so, name of such director or manager
4	Raju.N	Executive Vice President	Chartered Accountant	43	Executive Vice President Analytics and Business Review	Nil	19	15/12/2004	13.18	C Seshadri Nandan FCA,Audit Assistant	No
5	Kamal P. Parmar	Senior Vice President	MBA	53	HOD- VEF	Nil	9	21/10/2014	8.26	Regional Collection Manager -Fullerton India Credit Company Ltd.	No
6	K Senthil Kumar	Vice President	MBA	51	Head Credit - VEF	Nil	4	8/11/2019	6.66	National Credit Head – Magma Fincorp Ltd	No
7	Digbijay Bandyopadhyay	Vice President	MBA	47	Business Head - CV & CEO	0.000024%	7	31/08/2017	5.96	Magma Fincorp Ltd - AVP Regional Sales Head	No
8	Sathyanarayan K Rao	Vice President	PGDBM	49	Business Head Farm Equipment	Nil	7	17/07/2017	5.14	L&T Finance Product Head(Retail Loans) – OL 1 Grade – (Equivalent VP)	No
9	Manoj Kumar V R	Vice President	Company Secretary, MBA	50	Company Secretary	0.0024%	5	1/12/2018	5.02	Manappuram Benefit Fund Limited- Company Secretary	No
10	Madhavankutty G	Vice President	Ph.D, CAIIB, MA Economics	43	Chief Economist	Nil	2	12/9/2022	4.42	Aditya Birla Group Senior Economist	No

EMPLOYEES DRAWING A REMUNERATION OF 10.2 MILLION OR ABOVE PER ANNUM DURING THE FINANCIAL YEAR 2023-24

Sl. no	Employee Name	Designation	Educational Qualification	Age	Nature of Employment	% of equity shares held by the employee in the Company	Experience* (Years)	Date of Joining	Gross Remuneration paid (in million)	Previous Employment and designation	Whether employee is a relative of any director or manager of the company, if so, name of such director or manager
1	V.P. Nandakumar (MD & CEO)	MD & CEO	M.sc CAIIB (Part-I), PGDFT (IIFT)	69	MD & CEO	29.00%	32	15/07/1992	206.87	Officer, Nedungadi Bank	Yes. Dr. Sumitha Nandan
2	Bindu. A. L.	President	Chartered Accountant	50	Chief Financial officer	0.01%	26	15/06/1998	16.84	Mohandas & Associates Chartered Accountants, Audit Assistant	No
3	Dr. Sumitha Nandan V	Executive Director	M.S. (OBSTETRICS & GYNAECOLOGY), MBBS	43	Executive Director	Nil	5	1/1/2023	15.46	CEO (OGL) Manappuram Finance Limited	Yes VP Nandakumar
4	Raju.N	Executive Vice President	Chartered Accountant	43	Executive Vice President Analytics and Business Review	Nil	19	15/12/2004	13.18	C Seshadri Nandan FCA,Audit Assistant	No

*Experience in Manappuram Finance Limited.

EMPLOYEES DRAWING A REMUNERATION OF 0.85 MILLION OR ABOVE PER MONTH FOR PART OF THE FINANCIAL YEAR 2023-24

There were no employees drawing remuneration in excess of 0.85 million and was employed only for part of the Financial Year 2023-24

Annexure - VIII

CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Members,
Manappuram Finance Limited,
IV/470A (Old), W638A (New),
Manappuram House,
Valapad, Thrissur,
Kerala – 680567

We have examined documents, books, papers, minutes, forms and returns filed and other records maintained by the Company and all the relevant records for certifying the compliance of conditions of Corporate Governance by **Manappuram Finance Limited** (CIN : L65910KL1992PLC006623) (the Company) for the year ended 31st March, 2024, as stipulated in Regulation 34 (3) read with Para E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Management's Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the management. The management along with the Board of Directors are responsible in implementation and maintenance of internal control and procedures to ensure compliance with conditions of corporate governance as stated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015.

Our Responsibility

Our examination was limited to implementation of the conditions thereof and adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). It is neither an audit nor an expression of opinion on the financial statements of the Company.

Our Opinion

In our opinion and on the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied with the conditions of Corporate Governance as specified in regulations 17 to 27, clauses (b) to (i) and (t) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations as applicable.

The Company has complied with Para B and C of the Discretionary Requirements as stated under Part E of Schedule II of Listing Regulations read with clause 12 of paragraph C of Schedule V of the Listing Regulations.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **KSR & CO COMPANY SECRETARIES LLP**

Dr. C. V. MADHUSUDHANAN

Partner

FCS: 5367; CP: 4408

UDIN: F005367F000443420

PR.NO:2635/2022

Place : Coimbatore
Date : 24th May 2024



Corporate Governance Report

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your company is committed to practice good Corporate Governance standards in adherence to the RBI guideline/directions, the SEBI (LODR) Regulations 2015, the SEBI regulations, the MCA guidelines, the Companies Act, and the Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023. The prime objective is optimization of shareholder value by ensuring effective and cordial relationship with stakeholders and protecting their interests. Your Company believes that its business plans and strategy should be consistent with the above objective and thereby leading to sustained corporate growth and long-term benefit to all. The principles of Corporate Governance Standards of the company place strong emphasis on transparency, accountability and integrity. Your company follows these principles in all its business decisions and dealings.

Your Company believes that good corporate governance results from sound processes that ensure that the Directors are well supported by accurate and timely information, sufficient time and resources and unrestricted access to management. The business judgment of the Board must be exercised independently and in the long-term interests of shareholders.

Your Company is in compliance with the requirements of corporate governance, as applicable, specified in regulations 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations, 2015") and the Companies Act, 2013 (amended as on date). The Company is also in compliance with the Corporate Governance and Disclosure norms for NBFCs issued by Reserve Bank of India under Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023.

Your Company has adopted Manappuram Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Conduct to regulate, monitor and report Trading by Insiders and also adopted Internal Guidelines on Corporate Governance in compliance with Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023. These codes are available in the Company website - <https://www.manappuram.com/policies-codes>

Pursuant to the provisions of SEBI(Prohibition of Insider Trading) Regulations 2015 (PIT Regulations), the Company has a Structured Digital Database in place and is maintained as stipulated by the Regulation.

BOARD OF DIRECTORS

A. Composition of the Board

Your Company has formulated a Board Composition and Compensation Policy to have a competent and highly professional team of Board members. There are

thirteen Directors on the Board of the Company having diverse experience and expertise in their respective areas. The composition of the Board meets the criteria as prescribed in SEBI (LODR) Regulations, 2015, and Companies Act, 2013. This composition also fulfils the norms prescribed by Reserve Bank of India in this regard. As on March 31 2024 out of the (13) thirteen Directors, (2) two are Promoters cum Executive Directors, (1) one is Non-Independent Non-Executive Directors and (10) ten are Independent Directors. Out of (10) ten Independent Directors (2) two Independent Directors are woman directors.

Policy on Board Composition and Compensation is in place for ascertaining the fit and proper criteria of the Directors at the time of appointment and on a continuing basis. The policy on the fit and proper criteria is in line with Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 and all existing Directors are fit and proper to continue to hold the appointment as a Director in the Board.

All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 read with Section 149(6) of the Companies Act, 2013. None of the Directors on the Board hold directorships in more than ten public companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she is a Director as per disclosures regarding Committee positions in other public companies made by the Directors during the year under review. None of the Directors, except Directors under promoter group (executive Directors) are related to each other.

The maximum gap between two meetings was not more than one hundred and twenty days. As mandated by proviso under Regulation 17A(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (herein after referred as 'Listing Regulations'), as on March 31, 2024, none of the Independent Directors of the Company hold independent directorship in more than seven listed companies and as per Regulation 26, none of the directors is a member of more than ten committees or acting as Chairperson of more than five Committees across all the Indian public limited companies in which he/she is a Director. None of them serving as a whole time Director in any listed company.

During the year, separate meeting of Independent Directors of the Company was held on March 19, 2024 and all the Independent Directors were present in the meeting. The Independent Directors, inter- alia, reviewed the performance of non-independent Directors, Chairman of the Company and the Board as a whole.

B. Attendance of each director at the meeting of the board of directors and the last annual general meeting

Name & of Director	Category of Directors	No. of Board Meetings attended during the FY 2023-24	Whether attended the last AGM held on August 17, 2023
Mr.V.P.Nandakumar, * (DIN: 00044512) Managing Director & CEO	Promoter, Non-Independent, Executive	9	Yes
Adv.V.R.Ramachandran (DIN: 00046848)	Independent, Non-Executive	9	Yes
Mr.P.Manomohanan, (DIN: 00042836)	Independent, Non-Executive	9	Yes
Mr.Gautam Ravi Narayan** (DIN: 02971674)	Non-Independent, Non-Executive	0	No
Ms. Pratima Ram*** (DIN: 03518633)	Independent, Non-Executive	9	No
Mr. Abhijit Sen (DIN: 00002593)	Independent, Non-Executive	9	Yes
Mr. Harshan Kollara (DIN: 01519810)	Independent, Non-Executive	9	Yes
Mr.Shailesh J Mehta (DIN: 01633893)	Independent Non -Executive	9	Yes
Dr.Sumitha Nandan (DIN: 03625120)	Promoter Group, Non-independent, Executive Director	8	Yes
Adv. Veliath Pappu Seemandini (DIN: 07850522)	Independent Non -Executive	9	Yes
Mr. T C Suseel Kumar**** (DIN: 06453310)	Independent Non -Executive	3	No
Mr. Sankaran Nair Rajagopal***** (DIN: 10087762)	Independent Non -Executive	2	No
Mr. E.K. Bharath Bhushan***** (DIN: 01124966)	Independent Non -Executive	1	No
Mr. S R Balasubramanian (DIN: 03200547)	Non-Independent, Non-Executive	9	No

- * Mr.V P Nandakumar (DIN:00044512) has been re-appointed as MD & CEO of the Company w.e.f April 01, 2024 to March 31, 2029, pursuant to the shareholders approval at their Annual general meeting held on August 17, 2023.
- ** Mr.Gautam Ravi Narayan (DIN: 02971674) has resigned from the Board as Non-Executive Non-Independent director w.e.f April 04, 2023
- *** Ms.Pratima Ram (DIN-03518633) has been reappointed as Non-executive Independent director of the Board w.e.f April 01, 2024. Her appointment was ratified by the shareholders through postal ballot dated December 28, 2023.
- **** Mr. T.C.Suseel Kumar (DIN: 06453310) has been appointed as Additional Director (Non-executive) of the Board w.e.f November 01, 2023. Vide Postal ballot dated December 28, 2023, Shareholders approved the appointment of Mr. T.C.Suseel Kumar (DIN: 06453310) as Independent Non-Executive Director of the Board w.e.f November 01, 2023.
- ***** Mr. Sankaran Nair Rajagopal (DIN: 10087762) has been appointed as Additional Director (Non-executive) of the Board w.e.f January 01, 2024. Vide Postal ballot dated December 28, 2023, Shareholders approved the appointment of Mr. Sankaran Nair Rajagopal (DIN: 10087762) as Independent Non-Executive Director of the Board w.e.f January 01, 2024.
- ***** Mr. E.K. Bharath Bhushan (DIN: 01124966), has been appointed as Additional Director (Non-executive) of the Board w.e.f March 01, 2024. Vide Postal ballot dated April 03, 2024, Shareholders approved the appointment of Mr. E.K. Bharath Bhushan (DIN: 01124966) as Independent Non-Executive Director of the Board w.e.f March 01, 2024.

There was no change in Key Managerial Personnel during the FY 2023-24.



C. Number of other board of directors or committees in which a director is a member or chairperson & names of the listed entities where the person is a director and the category of directorship

Name of Director	Category of Directors	Details of membership in Committees of the Board*		Number of Directorships in Companies**		Name of listed entity and the category of Directorship***
		Chairman	Member	Member	Chairman	
Mr. V. P. Nandakumar, (DIN: 00044512) Managing Director & CEO	Promoter, Non-Independent, Executive	0	3	1	0	Nil
Adv. V. R. Ramachandran (DIN: 00046848)	Independent, Non-Executive	1	2	1	0	Nil
Mr. P. Manomohanam, (DIN: 00042836)	Independent, Non-Executive	0	2	1	0	Nil
Ms. Pratima Ram (DIN: 03518633)	Independent, Non-Executive	0	3	2	0	Company Minda Corporation Limited Category Independent, Non-Executive
Mr. Abhijit Sen (DIN: 00002593)	Independent, Non-Executive	5	3	3	0	Company Kalyani Forge Limited Tata Investment Corporation Limited Category Independent, Non-Executive
Mr. Harshan Kollara (DIN: 01519810)	Independent, Non-Executive	0	1	1	0	Nil
Mr. Shailesh J Mehta (DIN: 01633893)	Independent Non-Executive	0	1	1	1	Company INDIA SHELTER FINANCE CORPORATION LIMITED Category Non-Executive Nominee Director
Mr. S R Balasubramanian (DIN: 03200547)	Non-Independent, Non-Executive	0	1	1	0	Nil
Dr. Sumitha Nandan (DIN: 03625120)	Promoter Group, Non-independent, Executive Director	0	1	1	0	Nil
Adv. Veliath Pappu Seemandini (DIN: 07850522)	Independent Non-Executive	0	1	1	0	Nil
Mr. T C Suseel Kumar (DIN: 06453310)	Independent Non-Executive	1	2	3	0	Company FIRSTSOURCE SOLUTIONS LIMITED PCBL LIMITED Category Independent, Non-Executive
Mr. Sankaran Nair Rajagopal (DIN: 10087762)	Independent Non-Executive	0	1	1	0	Nil
Mr. E. K. Bharat Bhushan (DIN: 01124966)	Independent Non-Executive	2	0	1	0	Nil

- *As required by Clause 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the disclosures include Membership/Chairpersonship of Audit Committee and Stakeholders Relationship Committee of Companies including Manappuram Finance Limited.
- ** Only listed entities including Manappuram Finance Limited are shown
- ***Name of Listed entities excluding Manappuram Finance Limited are shown.

D. Number of meetings of the board of directors held and dates on which held

During the Financial Year 2023-24 the Board met on (9) Nine occasions viz. May 5, 2023, May 12, 2023, June 20, 2023, August 10, 2023, September 25, 2023, October 28, 2023, November 13, 2023, February 7, 2024 & March 19, 2024. The notes on Agenda setting out the business to be transacted at the Board meeting, were sent to each director seven days before the date of the board meeting except for the meetings which were convened at a shorter notice.

Information provided to the Board Members

The Board agenda with proper explanatory notes is prepared and circulated well in advance to all the Board Members. All statutory and other matters of significant importance including information as mentioned in Section 179 of the Companies Act, 2013 and Regulation 17 read with Part A of Schedule II of the SEBI (LODR) Regulations, 2015 are tabled

before the Board of Directors to enable them to discharge their responsibility of strategic supervision of the Company.

The Board periodically reviews the statement submitted by the unlisted subsidiaries on all significant transactions and arrangements entered into by it during that period. The Board also reviews periodical compliances of all applicable laws, rules and regulations. At the Board Meeting, members have full freedom to express their opinion and decisions were taken only after detailed deliberations.

E. Disclosure of relationships between directors inter-se;

There is no relationship between Directors inter-se except below.

Dr. Sumitha Nandan (DIN: 03625120) Executive Director is the daughter of Mr. V P Nandakumar (DIN:00044512), Managing Director of the Company

F. Number of shares and convertible instruments held by non- executive directors as on March 31, 2024

Name of Director	Category of Directors	Shareholding of Non-Executive Directors
Adv. V .R. Ramachandran	Independent Non-Executive	10,30,000
Mr. P. Manomohan	Independent Non-Executive	793,582
Mr. Shailesh J Mehta	Independent Non -Executive	500,000
Ms. Pratima Ram	Independent Non-Executive	0
Mr. Abhijit Sen	Independent, Non-Executive	0
Mr. Harshan Kollara	Independent Non-Executive	0
Mr. S R Balasubramanian	Non-Independent Non-Executive	0
Adv. Veliath Pappu Seemandini	Independent Non -Executive	0
Mr. T. C Suseel Kumar	Independent Non -Executive	0
Mr. Sankaran Nair Rajagopal	Independent Non -Executive	0
Mr. E. K. Bharat Bhushan	Independent Non -Executive	0

G. Familiarisation Programme for Independent Directors

On March 29, 2024, a familiarisation program was held for all Board members, led by Dr. K.S. Ravichandran CS, Managing Partner of KSR. The main focus was on "ESG in India and globally," along with discussions on corporate governance and Directors' duties and responsibilities. Additionally, the directors also attended external programs apart from the one organized within the organization.

Details regarding familiarisation programmes conducted for Directors can be viewed on the Company's website at <https://www.manappuram.com/familiarization-programme-independent-directors>

senior management on various aspects of business and governance. The Directors possess necessary experience, skills and ability relevant to the Company's business and affairs which enhances the quality of policy decisions. The following table gives details of the skills/expertise/competence identified by the Board of Directors pursuant to Regulation 34(3) read with schedule V Part (c)(2) (h)(ii) of SEBI(Listing obligations and Disclosure Requirements) Regulations 2015.

Chart/Matrix Setting Out the skills/Expertise/Competence of the Board of Directors

Leadership

Extended business leadership experience resulting in a practical understanding of organizational processes, strategic planning and risk management.

People Practices

Experience and strengths in developing talent, planning succession, driving change and long-term growth. Understands the drivers leading to behavior change.

H. Skills/expertise/competence identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board:

The directors take an active part at the Board and Committee meetings and provide valuable guidance to the

**Financial Control**

Leadership of a financial firm or management of the finance function of an enterprise, resulting in proficiency in financial management, capital allocation, financial control and reporting processes.

Diversity including gender and occupation

Representation of diversity in terms of gender, geography, culture, occupations that bring varied independent perspectives expanding the Board's understanding of the needs and viewpoints of customers, partners, employees, government, and other stakeholders.

Technology

A significant background in technology, resulting in knowledge of how to anticipate technological trends, generate disruptive innovation, and extend or create new business models.

Governance

Service on a public company board to develop insights about maintaining board and management governance accountability, protecting shareholder interests, and observing appropriate governance practices.

Sales and Marketing

Experience in developing strategies to grow sales and market share, build brand awareness and equity, and enhance enterprise reputation

Regulatory

Extended experience and understanding of the regulatory environment operating in the context of the business

Law

Legal background and experience

Financial Services

Extended experience in a financial services firm enabling a rich understanding of the sector and the context.

Sustainability

Experience and exposure in understanding sustainability from the business perspective with regard to employees customers and the larger community including the environment.

Skills/expertise/competence identified by the Board of Directors actually available with the Board:

Name of Director	Mr. V. P. Nandakumar	Mr. V. R. Ramachandran	Mr. P. Manomohanan	Mr. Suseel Kumar	Ms. Pratima Ram	Mr. Abhijit Sen	Mr. Harshan Kollara	Mr. Shailesh J. Mehta	Mr. Balasubramanian	Ms. Sumitha Nandan	Adv. Seemandini	Mr. Raja Gopal	Mr. Bharat Bhushan
Leadership	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
People Practices	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Financial Control	Yes	Yes	Yes	Yes	Yes	Yes	-	Yes	Yes	-	Yes	Yes	Yes
Diversity including gender and occupation	-	-	-	Yes	Yes	-	Yes	Yes	-	Yes	Yes	Yes	Yes
Technology	-	-	-	-	-	Yes	Yes	Yes	Yes	Yes	-	Yes	Yes
Governance	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Sales and Marketing	Yes	Yes	-	Yes	Yes	-	-	Yes	-	Yes	-	-	-
Regulatory	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	-	Yes	Yes	Yes
Law	-	Yes	Yes	-	-	-	-	-	-	-	Yes	-	Yes
Financial Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	-	Yes	Yes
Sustainability	Yes	Yes	Yes	Yes	Yes	Yes	-	Yes	Yes	Yes	Yes	Yes	Yes

The brief profile of Directors are also available on the website of the Company <https://www.manappuram.com/management-team>

I. Independence of Independent Directors

Pursuant to Clause C (2) (i) of Schedule V read with Regulation 34(3) of (Listing obligations and Disclosure Requirements) Regulations 2015, in the opinion of Board, Independent Directors fulfill the conditions as specified in the Listing Regulations and independent of the Management.

There has been no instance where the Board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year.

J. Resignation of Independent Director

There was no independent director who resigned from the Board during the FY 2023-24.

COMMITTEES OF THE BOARD

The Board has constituted Sub-Committees of the Board. Each Committee of the Board functions according to the terms of reference as approved by the Board. Meeting of each Sub-Committee is convened by the respective Committees' Chairman. The composition and terms of reference of these sub-committees including the number of meetings held during the financial year and the related attendance are given below:

A. AUDIT COMMITTEE

The Company has constituted a qualified and independent Audit Committee as required under Section 177 of the

Companies Act, 2013, and Regulation 18 of the SEBI (LODR) Regulations, 2015. The Committee also fulfils the provisions of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023. The Committee has Six members eminently qualified to handle accounts, finance, audit and legal matters. The Company Secretary acts as the Secretary of the Audit Committee.

The Audit Committee met (9) Nine times during FY 2023-24 viz May 11, 2023, June 20, 2023, August 09, 2023, September 25, 2023, October 28, 2023, November 13, 2023, February 06, 2024, February 27, 2024, March 19, 2024., The constitution, record of attendance of meetings and other details of the Audit Committee of the Company are below:

Composition, Meetings and Attendance as on March 31, 2024

Sl. No	Name of the Member	Position	Category of Directors	Number of Meetings during the financial year 2023-24	
				Held	Attended
1	Mr. Abhijit Sen	Chairman	Independent Director	9	9
2	Mr. Harshan Kollara	Member	Independent Director	9	8
3	Mr. P. Manomohanan	Member	Independent Director	9	9
4	Mr. Shailesh Jayantilal Mehta	Member	Independent Director	9	9
5	Ms. Pratima Ram	Member	Independent Director	9	9
6	Dr. Sumitha Nandan	Member	Executive Director	9	9

Terms of Reference of Audit Committee

- Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient, and credible.
- Recommending to the Board the appointment, reappointment, and if required, the replacement or removal of the statutory auditor and the fixation of audit fee.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing with management the annual financial statements before submission to the Board for approval with particular reference to:
 - matters required to be included in the Directors 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.
 - changes if any in accounting policies and practices and reasons for the same.
 - major accounting entries involving estimates based on the exercise of judgment by management.
 - significant adjustment made in the financial statement arising out of audit findings.
 - compliance with listing and other legal requirements relating to the financial statements.
 - disclosure of any related party transactions.
 - qualifications in the draft audit report.
- Reviewing with the management the quarterly financial statements before submission to the board for approval.
- 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 utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing with the management performance of the statutory and internal auditors and adequacy of the internal control system.
- Reviewing the adequacy of internal audit function if any including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.



14. Discussion with internal auditors regarding any significant findings and follow-up thereon.
15. 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.
16. Discussion with statutory auditors before audit commences about the nature and scope of audit as well as post-audit discussions to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payments to the depositors, debenture - holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. To review the function of whistle blower mechanism in case the same exists.
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
20. Monitoring the end use of funds raised through public offers and related matters.
21. Carrying out any other function as mentioned in the terms of reference of audit committee.
22. Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore 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.
23. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
24. The Committee must ensure that an Information System Audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the entity.

B. NOMINATION, COMPENSATION & CORPORATE GOVERNANCE COMMITTEE

The Nomination, Compensation and Corporate Governance Committee of the Company was constituted to oversee the compliance with the Reserve Bank of India's Circular No. DNBS/PD/CC/94/03.10.042/2006-07 dated 8 May 2007 to ensure that eminent and experienced persons are appointed as directors. The Committee also meets the requirements of Section 178 of the Companies Act, 2013, Regulation 19 of the SEBI (LODR) Regulations, 2015 and Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.

The Committee met (6) Six times during FY 2023-24 viz May 12, 2023, June 20, 2023, August 10, 2023, November 13, 2023, February 07, 2024, March 15, 2024.

Composition, Meetings, and Attendance during the FY ended March 31, 2024.

Sl. No	Name of the Member	Position	Category of Directors	Number of Meetings during the financial year 2023-24	
				Held	Attended
1	Mr. Harshan Kollara	Chairman	Independent, Non-Executive	6	6
2	Dr. Shailesh J Mehta	Member	Independent, Non-Executive	6	6
3	Adv. Veliath Pappu Seemandini	Member	Independent, Non-Executive	6	6

Terms of Reference of Nomination, Compensation and Corporate Governance Committee

Considering the statutory provisions under Section 178 of the Companies Act, 2013, provisions of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the guidelines issued by the Reserve Bank of India on Corporate Governance of NBFCs, and the Master Direction – Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023, the role and responsibilities of the committee can be classified into three broad categories such as (I) nomination, (II) fixation of remuneration and (III) performance evaluation and governance.

The committee shall effectively discharge its roles and responsibilities in the following manner:

I. Role of nomination: -

- (a) The Committee shall put in place a broad policy describing the qualification, experience, and other positive attributes for selection of Executive/ Whole Time Directors including their age of retirement.
- (b) The committee shall formulate and put in place guiding principles to determine the qualities, qualifications, and the parameters to determine the 'fit and proper' criteria for appointment of Independent Directors keeping in mind the diversity quotient the company's board shall maintain from time to time and subject to the applicable regulatory requirements.

- (c) Filling in a timely manner vacancy on the board of the company including the position of Executive/Whole Time Directors.
- (d) Selection of directors, key management personnel and persons to be appointed in senior management positions as defined by the board and recommend to the board for their appointment and removal thereof.

II. Role of fixing Remuneration and Evaluation of performance: -

- (a) The committee shall formulate and recommend to the Board of Directors of the Company for its approval a policy relating to the remuneration for the Directors, Key Managerial Personnel, Senior Management* and other employees from time to time.
- (b) The policy as aforesaid shall be formulated to ensure that -
 1. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
 2. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 3. 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.
- (c) The committee shall review the performance of individual directors of the company on a yearly basis at the end of each financial year or at such periodicity as the committee deem fit and recommend to the board based on such review, whether a director to be recommended for re- appointment or not.
- (d) The committee shall review the performance of the Executive/Whole time Directors of the company and fix suitable compensation packages in consideration of their performance, contributions, the general business environment in which the company operates and financial position of the company. The remuneration package may be a combination of fixed and performance-based bonus/incentives for the period under review.
- (e) The committee shall along with the management review the performance of Key managerial personnel and senior management* persons on a periodical basis and fix their remuneration packages in accordance with the policies approved by the Board. The period

of gap between two such reviews shall not elapse fifteen months.

As per the SEBI (LODR) Regulations, 2018 (Amendment Regulations) dated May 9, 2018, the additional responsibilities entrusted with Nomination Compensation and Corporate Governance Committee (NRC) with effect from 1st April 2019 are as follows: -

1. NRC shall revisit the list of Senior Management to assess the additions to the list.
2. NRC shall recommend remuneration of Senior Management* to the Board
3. Formulation of Succession Planning for Senior management.
4. Review and affirm the senior management* shall abide by the code of conduct on an annual basis.
5. Senior Management* shall make disclosure to the Board relating to all material, Financial and Commercial transactions, where they have a personal interest that may have a potential conflict with the interest of the Company at a large.

*(*For the purpose of this Code the term 'senior management' shall mean the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.)*

The Board of Directors at their meeting had identified following officials as 'Senior Management' for the purpose of this code.

Sl. No. Senior Management	
1	Chief Financial Officer
2	Head - Analytics and Business Review
3	Company Secretary
4	Vice President – Compliance Head CCO
5	Chief Risk Officer
6	Head - Information Technology Department
7	Head - Human Resource Department
8	Head - Internal audit Department
9	HRM Training Head
10	Head of Vigilance Department
11	Business Head of Gold loan department
12	Business Head of Commercial Vehicle Finance-VP
13	Business Head of Car loan

**Sl. No. Senior Management**

14	Business Head of Two - Wheeler Finance
15	Business Head of Farm Equipment
16	Business Head of MSME
17	Business Head of Micro Home Finance
18	Business Head of Secured Personal Loan
19	Business Head of Digital Personal Loan
20	Business Head of Commercial Vehicle Finance - SVP

III. Role on ensuring Compliance on governance standards.

- The committee shall ensure that at all times, the board of the company has a fair combination of independent, non-executive and executive directors meeting the governance standards set by the board and in compliance with regulatory requirements, SEBI (LODR) Regulations, 2015 etc. prevailing from time to time.
- Ensure that the organization structure and flow of command meets the governance standard set for the internal management of the company.
- The committee may evaluate and put in place the proper mechanism for refreshment training for directors on relevant subjects.
- The committee shall evaluate and put in place a proper mechanism to ensure that the independence of independent directors is always maintained and to ensure that there are no situations which suggest the existence of circumstances resulting in the loss of independence of any directors of the company.
- The committee shall put in place subject to the provisions of applicable laws, policies, and procedure for determining the retirement and re-appointment of independent and other directors on the board of the company.
- The Committee shall always ensure that the sub-commitments of the Board is functioning and are

constituted according to the regulatory requirement and governance policies of the company.

- The committee shall oversee the overall governance standards and policies of the company and delegation of authorities to match with the best practices in relation to the size of the company and the level of its operations to protect the interest of all stake holders.

The Committee shall discharge such other functions as may be delegated to it by the Board or prescribed under any law, rules, regulations or orders or directions of any statutory or regulatory body including stock exchanges where the securities of the company are listed

Performance evaluation criteria for independent directors is detailed in Boards Report.

C. STAKEHOLDERS RELATIONSHIP AND SECURITIES TRANSFER COMMITTEE

The Company has constituted Stakeholders Grievance Committee in line with the provisions of Regulation 20 of SEBI (LODR) Regulations, 2015 and Section 178(5) of the Companies Act, 2013 to monitor the securities holders and investor complaints / grievances and also to ensure quick redressal of investor complaints associated with transfer/ transmission/ dematerialization of shares, non-receipt of Balance Sheet, Dividend warrants etc. The committee was re-designated as Stakeholders Relationship Committee.

Board earlier constituted Securities Transfer Committee to comply with provisions of section 46 of Companies Act, 2013 read with Rule 5 of the Companies (Share Capital and Debentures) Rules, 2014.

In order to ease the both committees functioning, Board at its meeting held on June 25, 2017 merged the Securities Transfer Committee into Stakeholders Relationship Committee and accordingly to comply with the provisions of SEBI (LODR) Regulations, 2015 and the Companies Act, 2013 and rules made thereunder as both Securities Transfer Committee and Stakeholders Relationship Committee have functions primarily aimed at serving security holders of the Company.

Composition, Meetings & Attendance as on March 31, 2024

Sl. No	Name of the Member	Position	Category of Directors	Number of Meetings during the financial year 2023-24	
				Held	Attended
1	Mr. V. R. Ramachandran	Chairman	Independent, Non-Executive	4	4
2	Mr. V. P. Nandakumar	Member	Non-Independent, Executive	4	4
3	Mr. P. Manomohanam	Member	Independent, Non-Executive	4	4
4	Mr. S. R. Balasubramanian	Member	Non-Independent, Non - Executive	4	4
5	Adv. V.P. Seemandini	Member	Independent, Non-Executive	4	3

Scope

Stakeholders Relationship Committee was constituted to specifically look into the redressal of shareholder and investors complaints / grievances like transfer and transmission of securities, non-receipt of annual report/ notice/ declared dividends/ interest/ redemption amount, etc. and all other securities-holders related matters.

Securities Transfer Committee normally approves transfers, transmission, etc. of securities and issues split, duplicate certificates of securities issued by the Company.

The role of the committee shall inter-alia include the following.

Resolving the grievances of the security holders of the listed entity 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.

Review of measures taken for effective exercise of voting rights by shareholders.

Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the company.

Name, designation and address of Compliance Officer:

Mr. Manoj Kumar V.R., Company Secretary
 Manappuram Finance Limited, W-4/638A, Manappuram House,
 Valapad P.O, Thrissur-680567. Phone - 0487 3050408, 3050417
 E-Mail - cosecretary@manappuram.com, cs@manappuram.com

Details of investor complaints received and redressed during the financial year 2023-24 are as follows:

1. Number of shareholders' complaints received during the financial year = 0
2. Number of complaints not solved to the satisfaction of shareholders = NA
3. Number of pending complaints as on March 31, 2024 = 0

D. RISK MANAGEMENT COMMITTEE (RMC)

The Company has constituted a Risk Management Committee (RMC) in line with the provisions of Regulation 21 of SEBI (LODR) Regulations, 2015 and Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.

The committee reviews the Risk Management Policy, document and improve risk management practices, ensure appropriate / adequate reporting to the Board, manage the integrated risk, review the functioning of the Risk Management Department and any other matter as the Committee may deem fit. The Committee is involved in the process of identification, measurement, monitoring and mitigation of the various risks faced by the Company. The RMC shall meet at least Four times in a year and once in every quarter and reports to the Board.

Pursuant to Reserve Bank of India Circular No. DNBR (PD) CC.No.099/03.10.001/2018-19 dated May 16, 2019, the Company had appointed Mr. Madhu Mohan as Chief Risk Officer (CRO) to carry out the functions and discharge all the responsibilities as per the terms of aforesaid circular. His re-appointment for the current tenor of two year was approved by the Board on May 9, 2024 with effect from July 17, 2024.

Composition, Meetings & Attendance as on March 31, 2024

Sl. No	Name of the Member	Position	Category of Directors	Number of Meetings during the financial year 2023-24	
				Held	Attended
1	Mr. Abhijit Sen	Chairman	Independent, Non-Executive	4	4
2	Mr. P. Manomohan	Member	Independent, Non-executive	4	4
3	Mr. V. P. Nandakumar	Member	Non-Independent, Executive	4	4
4	Dr. Shailesh J. Mehta	Member	Independent, Non-Executive	4	4
5	Mr. Harshan Kollara	Member	Independent, Non-Executive	4	4
6	Ms. Pratima Ram	Member	Independent, Non-Executive	4	4



Purpose and Scope of Risk Management Committee & its powers

- (A) The purpose of the RMC reviews the risk management framework and risk appetite of the Company, examine the adequacy and effectiveness of the risk management policy, and ensure appropriate/ adequate reporting to the Board with recommendations where required. To this effect the RMC will:
- (i) Oversee the development and implementation of the risk management strategy and practices by the Company and assess the effectiveness thereof.
 - (ii) Ensure that the Company has an appropriate and effective mechanism to identify, measure, control and monitor all applicable risks on a timely basis and as accurately as feasible.
 - (iii) Call for appropriate data/ information to confirm the risk assessments of the past or projections for the future including development of any key performance or risk tolerance indicators.
 - (iv) Ensure that the risk management policy in force is in tune with regulatory requirements, corporate governance standards, emerging new risks and industry best practices.
 - (v) Review major breaches in policy.
 - (vi) Appraise uncovered/ residual risks to the Board.
 - (vii) Continuous Monitoring of the existence of Cyber security in the Company.
 - (viii) Assess the capacity of the Company to withstand major 'shocks', financial or otherwise, caused by market forces, regulatory directives, environment, any other external factors or internal upheavals.
 - (ix) To formulate a detailed risk management policy which shall include:
 - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
- (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
 - (c) Business continuity plan.
- (x) To ensure that appropriate method, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
 - (xi) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.
 - (xii) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
 - (xiii) To keep the board of directors informed about the nature and content of its discussions, recommendations, and actions to be taken.
 - (xiv) The appointment, removal, and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
 - (xv) The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.
- (B) The RMC shall be empowered to call for any studies, information, data, or analyses in matters pertaining to management of risk from the officers of the Company, issue orders for investigation on any risk related subject including constitution of any sub-committee for such purpose and seek the opinions or reports of independent experts/ professionals where considered desirable or essential.
- (C) The Risk Management Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

SENIOR MANAGEMENT

The Board of directors at its meeting held on November 13, 2024 has identified the following persons as Senior Management

Sl. No.	Senior Management	Changes happened during the year
1	Chief Financial Officer	No change
2	Head - Analytics and Business Review	No change
3	Company Secretary	No change
4	Vice President – Compliance Head CCO	No change
5	Chief Risk Officer	No change
6	Head - Information Technology Department	No change
7	Head - Human Resource Department	No change
8	Head - Internal audit Department	No change
9	HRM Training Head	No change
10	Head of Vigilance Department	No change
11	Business Head of Gold loan department	No change
12	Business Head of Commercial Vehicle Finance-VP	Addition
13	Business Head of Car loan	Addition
14	Business Head of Two - Wheeler Finance	Addition
15	Business Head of Farm Equipment	Addition
16	Business Head of MSME	Addition
17	Business Head of Micro Home Finance	Addition
18	Business Head of Secured Personal Loan	Addition
19	Business Head of Digital Personal Loan	Addition
20	Business Head of Commercial Vehicle Finance - SVP	Addition

* The Board of Directors on its meeting held on November 13, 2023 has removed Head of Operation Department (Gold Loan) from the list of Senior Managerial Personnel.

DISCLOSURES WITH RESPECT TO REMUNERATION

Independent, Non-Executive Directors

Independent directors of the Company were paid sitting fee of ₹40,000 for every meeting of Board, Audit Committee and Nomination Compensation and Corporate Governance Committee. ₹15,000 were paid as sitting fee of other Committees. The Company is being benefited from the expertise, advise and inputs of Independent Directors. The commission for the FY ended March 31, 2024, is being paid to all Independent Directors, as recommended by the nomination Committee and decided by the Board on May 9, 2024.

The shareholders of the Company at their annual general meeting held on August 27, 2019 have approved for payment of commission annually to the Non-Executive Directors of the Company (i.e., other than Directors who are either in whole-time

employment of the Company or Managing Director of the Company) but including Independent Directors of the Company, an amount not exceeding 1% (one per cent) of the net profits of the Company computed in accordance with the provisions of Section 197 of the Companies Act 2013.

None of the Non-Executive Directors have any pecuniary relationships or transactions vis-à-vis the Company save and except the payment of sitting fees and commission.

The criteria for making payment to non-executive directors is detailed in the Policy on Board Composition and Compensation which is uploaded on the website of the Company

https://www.manappuram.com/sites/default/files/2024-06/Board%20composition%20and%20compensation%20policy_2%284%29_0.pdf

Details of Sitting Fee/ remuneration paid to Non -Executive Directors during the Financial year 2023-24 are as under:-

(₹ in million)

SL No	Name	Commission	Sitting fee	ESOS
1	Mr. Shailesh J Mehta	11.50	1.10	NA
2	Mr. P. Manomohanan	3.10	1.13	NA
3	Mr. V. R. Ramachandran	4.70	0.78	NA
4	Mr. Abhijit Sen	5.40	0.93	NA
5	Mr. Harshan Kollara	3.90	1.02	NA
6	Mr. S. R. Balasubramanian	3.10	0.57	NA



(₹ in million)

SL No	Name	Commission	Sitting fee	ESOS
7	Adv. Veliath Pappu Seemandini	3.10	0.74	NA
8	Ms. Pratima Ram	3.10	1.07	NA
9	Mr. T C Suseel Kumar*	1.29	0.12	NA
10	Mr. Sankaran Nair Rajagopal **	0.78	0.08	NA
11	Mr. E. K. Bharath Bhushan***	0.26	0.04	NA

- *Mr. T.C.Suseel Kumar (DIN: 06453310) has been appointed as Additional Director (Non-executive) of the Board w.e.f November 01, 2023. Vide Postal ballot dated December 28, 2023, Shareholders approved the appointment of Mr. T.C.Suseel Kumar (DIN: 06453310) as Independent Non-Executive Director of the Board w.e.f November 01, 2023.
- ** Mr. Sankaran Nair Rajagopal (DIN: 10087762) has been appointed as Additional Director (Non-executive) of the Board w.e.f January 01, 2024. Vide Postal ballot dated December 28, 2023, Shareholders approved the appointment of Mr. Sankaran Nair Rajagopal (DIN: 10087762) as Independent Non-Executive Director of the Board w.e.f January 01, 2024.
- *** Mr. E.K. Bharath Bhushan (DIN: 01124966), has been appointed as Additional Director (Non-executive) of the Board w.e.f March 01, 2024. Vide Postal ballot dated April 03, 2024, Shareholders approved the appointment of Mr. E.K. Bharath Bhushan (DIN: 01124966) as Independent Non-Executive Director of the Board w.e.f March 01, 2024.

Non-Independent, Executive Directors

(₹ in million)

Sl. No.	Name	Salary	Commission	Benefits/ Provident Fund	Perquisites	Bonus	Sitting Fee	ESOS (no. of options)
1	Mr. V. P. Nandakumar	95	100	11.87	0	0	0	0
2	Dr. Sumitha Nandan	9.30	5	1.16	0	0	0	0

Performance Evaluation Parameter for MD & CEO

I	Business
	Achieving growth and profitability targets as per Board Approved Annual Business Plan of MAFIL
	Achieving growth and profitability targets as per Board Approved Business Plan of Subsidiary Co's
	Growth of Gold Loan AUM adjusted for price
II	Technology / IT
	Making IT a key differentiator and a competitive advantage for all business - focussing on data based customer centric approach for better service with lower costs and less time (TAT)
III	Audit, Legal and Compliance
	Ensuring all businesses - in MAFIL and its Subsidiaries are compliant to all Regulatory Rules, Regulations, Guidelines and Statutes - like RBI / Co's Act / SEBI / Listing Guidelines etc.
	Ensuring compliance with Co's Audit , Risk Control and Other Policies and Processes
IV	Strategic Growth Initiatives
	Developing and executing the strategy for future growth and competitiveness in businesses - including M&A for in-organic growth
V	Succession Plan
	Creating MD&CEO Succession Plan

Service Contracts, Notice Period, Severance Fees: Nil

GENERAL BODY MEETINGS

Details of the last three Annual General Meetings of the Company are given below:

Year	Date	Time & Place	Special Resolutions Passed
2023	August 17	Latha Convention Centre (formerly known as Anugraha Auditorium), Valapad, Thrissur, Kerala - 680 567 at 11.00 A.M	Re-appointment of Mr. V P Nandakumar (DIN: 00044512) as Managing Director and Chief Executive Officer of the Company for a period of five years with effect from April 01, 2024 Alteration of the Articles of Association of the Company
2022	August 25	Latha Convention Centre (formerly known as Anugraha Auditorium), Valapad, Thrissur, Kerala - 680 567 at 11.00 A.M,	NIL
2021	September 10	Audio-visual means at 10.00 A.M.	NIL

No Extraordinary General Meeting held during the financial year 2023-24

During the year, the shareholders of the Company approved the following matters through postal ballot, by way of ordinary/Special Resolutions. A snapshot of voting results of the Postal ballot are as follows;-

Postal Ballot conclusion date	SL No	Particulars	Type of Resolution	% of votes polled on outstanding shares	% of votes in favour of votes polled	% of votes against on votes polled
December 28, 2023*	1	To approve re- appointment of Ms. Pratima Ram (DIN: 03518633) as Non-Executive Independent Director of the Company	Special Resolution	63.9896%	99.8513%	0.1487%
"	2	To approve appointment of Mr. T C Suseel Kumar (DIN: 06453310) as Non-Executive - Independent Director of the Company	Special Resolution	63.9896%	98.0819%	1.9181%
"	3	To approve appointment of Mr. Sankaran Nair Rajagopal (DIN: 10087762) as Non-Executive Independent Director of the Company	Special Resolution	63.9896%	99.9953%	0.0047%

* The remote e-voting period remained open from Wednesday, November 29, 2023 (09:00 A.M. IST) to Thursday, December 28, 2024 (05:00 P.M. IST).

Mr. Suresh M V, FCS, Partner of SMS & Co Company Secretaries LLP (COP No. 17830), was appointed as the Scrutinizer for the Postal ballot process. The postal ballot is conducted through the e-voting platform of Central Depository Services (India) Limited (i.e., CDSL). The detailed voting procedure mentioned in the postal ballot notice, the Scrutinizer report and the voting results are available on the Company's Website.

During the FY 2023-24, the company had proposed to take members' approval to appoint Mr. Edodiyil Kunhiraman Bharat Bhushan (DIN: 01124966) as Non-Executive Independent Director of the Company. The e-voting facility was available from 09.00 a.m. (IST) on Tuesday, March 5, 2024 to 05.00 p.m. (IST) on Wednesday, April 3, 2024.

MEANS OF COMMUNICATION

The Company complies with SEBI (LODR) Regulations, 2015 by publishing its unaudited/audited financial results quarterly in leading newspapers such as Business Line and Mathrubhumi. Other important announcements regarding General Meetings/Postal Ballot are also made in these newspapers. Additionally, the Company's website www.manappuram.com provides relevant information about the Company, including board approved policies and codes, as well as the financial results. Detailed presentations made to institutional investors / analysts on overall performance of the Company are also posted in its website on a quarterly basis for the benefit of investors and other stake holders. All shareholder information and communications are filed with National Stock Exchange and BSE Limited, and can also be found on the Company's website.

**GENERAL SHAREHOLDER INFORMATION**32nd Annual General Meeting

Particulars	As on March 31, 2024
Annual General Meeting - Date, Time And Venue;	Wednesday, August 14, 2024, at 11.00 AM at Latha Convention Centre (Formerly known as Anugraha Auditorium), Valapad, Thrissur, Kerala – 680567.
Financial Year	2023-24
Dividend Payment Date	NA (No final dividend recommended by the Board)
The Name And Address Of Each Stock Exchange(S) At Which The Listed Entity's Securities Are Listed And A Confirmation About Payment Of Annual Listing Fee To Each Of Such Stock Exchange(S);	BSE Limited (BSE) 25 th floor, P. J. Towers, Dalal Street, Mumbai - 400 001 National Stock Exchange of India Limited (NSE) Exchange Plaza, C-1,Block G Bandra Kurla Complex Bandra (East), Mumbai 400 051
Stock Code	BSE-531213 NSE- MANAPPURAM
Corporate Identity Number (Cin)	L65910KL1992PLC006623
Registrar And Share Transfer Agents	Link Intime India Private Limited Surya 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641028, TN, India Phone: +91 422 4958995, 2539835/ 836 Email: coimbatore@linkintime.co.in www.linkintime.co.in
Compliance Officer	Mr.Manoj Kumar V R, Company Secretary Ph: 0487-3050408/413 Email: cs@manappuram.com
Company Address	Manappuram Finance Limited W - 4/ 638 A Manappuram House, Valapad, Thrissur, Chavakkad, Kerala, India, 680567 Phone: 0487- 3050108, 3050000. Fax 0487- 2399298 Email: mail@manappuram.com
Payment of Listing Fees	Annual listing fee for FY 2023-24 has been paid by the Company to BSE and NSE.
Payment of Depository Fees	Annual Custody/ Issuer fee for FY 2023-24 has been paid by the Company to NSDL and CDSL.

STOCK MARKET PRICE DATA- HIGH, LOW DURING EACH MONTH IN LAST FINANCIAL YEAR

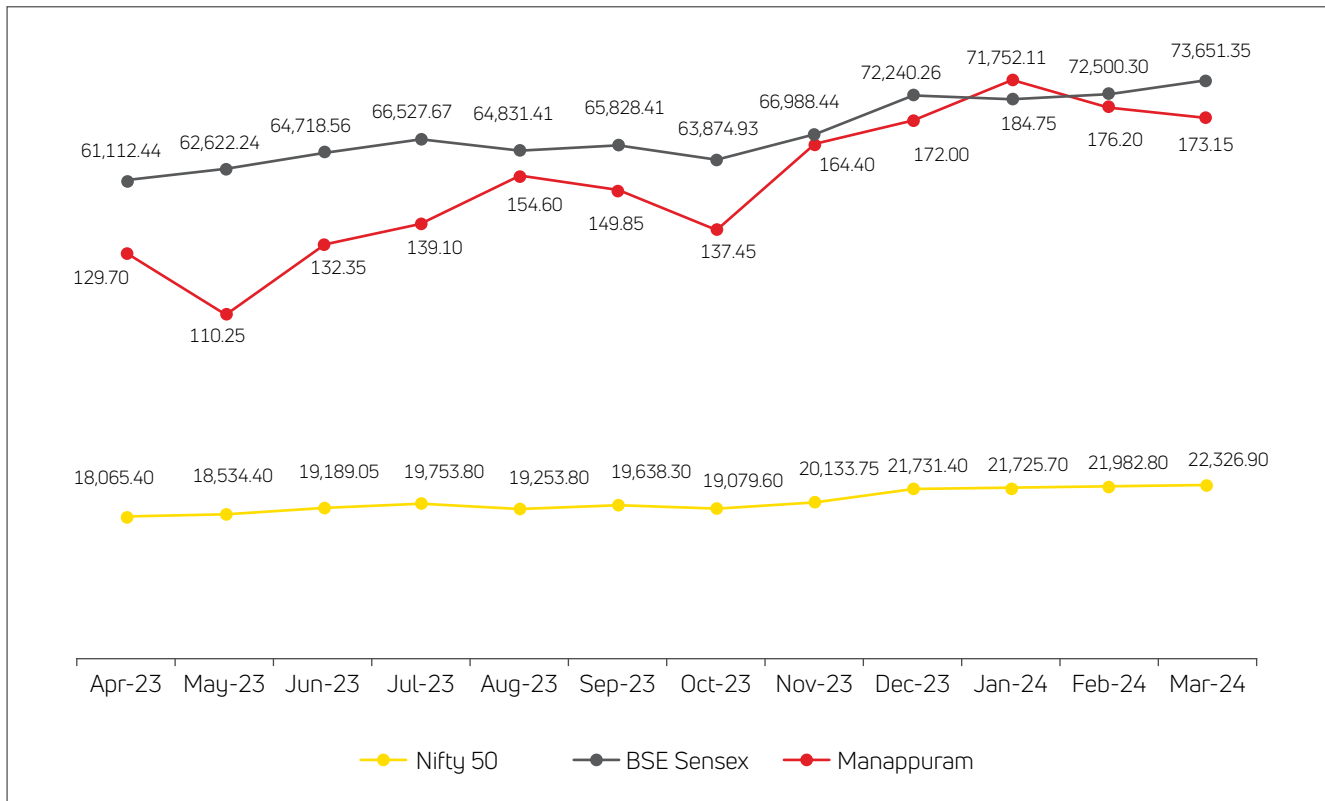
Share Price Movements of the Company on NSE during each month of FY 2023-24

Month	Close	Open	High	Low
April 23	129.70	124.80	133.95	123.40
May 23	110.25	130.00	130.65	102.00
June 23	132.35	110.65	133.40	109.50
July 23	139.10	133.00	141.20	122.60
Aug 23	154.60	139.70	155.70	131.05
Sep 23	149.85	154.95	156.55	134.15
Oct 23	137.45	149.00	150.45	125.35
Nov 23	164.40	136.00	166.65	134.40
Dec 23	172.00	165.10	177.55	158.25
Jan 24	184.75	172.10	188.20	163.35
Feb 24	176.20	176.50	192.50	170.05
Mar 24	173.15	177.50	199.00	158.30

Share Price Movements of the Company on BSE during each month of FY 2023-24

Month	Close	Open	High	Low
April 23	129.70	124.15	133.90	122.50
May 23	110.05	129.65	130.65	102.00
June 23	132.35	111.30	133.30	109.55
July 23	139.05	132.55	141.10	122.70
Aug 23	154.30	139.15	155.65	131.05
Sep 23	149.85	154.40	156.55	134.15
Oct 23	137.40	150.50	150.50	125.30
Nov 23	164.00	137.00	166.50	134.25
Dec 23	171.95	165.00	177.55	159.20
Jan 24	184.55	172.80	188.20	163.40
Feb 24	176.30	178.00	193.35	170.25
Mar 24	173.05	177.75	199.00	158.20

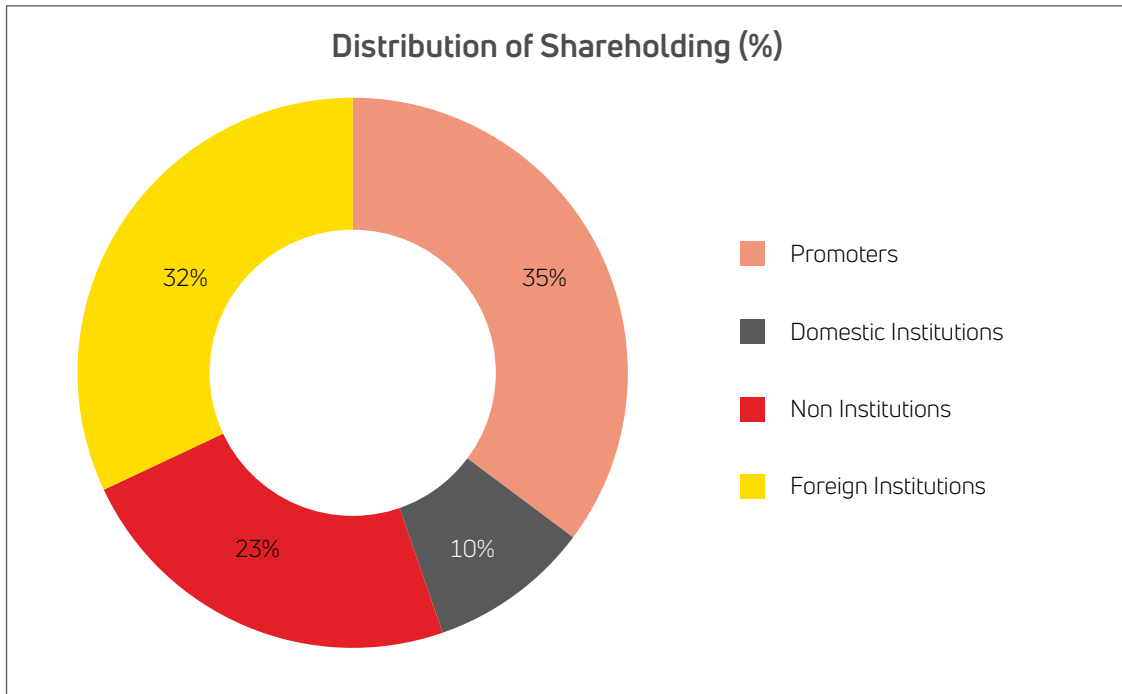
SHARE PERFORMANCE V/S BSE SENSEX AND CNX NIFTY





List of Top 10 Shareholders as on March 31, 2024

SR. No.	Name	Category	31/03/2023		No. of Shares held in Demat Form
			Shares	%	
1	V P NANDAKUMAR	Promoter-Director	245454221	28.9986	245454221
2	SUSHAMA NANDAKUMAR	Promoter (Relative of Director)	48001078	5.6710	48001078
3	BOFA SECURITIES EUROPE SA - ODI	FPI (Corporate) - I	10700201	1.2641	10700201
	BOFA SECURITIES EUROPE SA		812629	0.096	812629
			11512830	1.3602	11512830
4	ST. JAMES'S PLACE EMERGING MARKETS EQUITY UNIT TRUST MANAGED BY ARGUMENT INVESTMENT MANAGEMENT LP	FPI (Corporate) - I	10867344	1.2839	10867344
5	DSP SMALL CAP FUND	Mutual Funds	5461337	0.6452	5461337
	DSP ARBITRAGE FUND		3774000	0.4459	3774000
	DSP DYNAMIC ASSET ALLOCATION FUND		1512000	0.1786	1512000
	DSP EQUITY SAVINGS FUND		24000	0.0028	24000
			10771337	1.2726	10771337
6	BANDHAN SMALL CAP FUND	Mutual Funds	3937889	0.4652	3937889
	BANDHAN FLEXI CAP FUND		1950000	0.2304	1950000
	BANDHAN FINANCIAL SERVICES FUND		1035470	0.1223	1035470
	BANDHAN ARBITRAGE FUND		906000	0.107	906000
	BANDHAN MULTI CAP FUND		700000	0.0827	700000
	BANDHAN MULTI ASSET ALLOCATION FUND		168899	0.02	168899
	BANDHAN NIFTY SMALL CAP 250 INDEX FUND		9195	0.0011	9195
			8707453	1.0287	8707453
7	SBI LIFE INSURANCE CO. LTD	Insurance Companies	8572780	1.0128	8572780
8	VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUNDS	FPI (Corporate) - I	7515110	0.8879	7515110
9	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	FPI (Corporate) - I	7447191	0.8798	7447191
10	KOTAK EQUITY ARBITRAGE FUND	Mutual Funds	3630000	0.4289	3630000
	KOTAK BALANCED ADVANTAGE FUND		1734000	0.2049	1734000
	KOTAK EQUITY SAVINGS FUND		1200000	0.1418	1200000
	KOTAK MAHINDRA TRUSTEE CO LTD A/C KOTAK MULTI ASSET ALLOCATION FUND		480000	0.0567	480000
	KOTAK MAHINDRA TRUSTEE CO LTD A/C KOTAK NIFTY SMALLCAP 50 INDEX FUND		50879	0.006	50879
	KOTAK MAHINDRA TRUSTEE CO LTD A/C KOTAK NIFTY FINANCIAL SERVICES EX-BANK INDEX FUND		7110	0.0008	7110
			7101989	0.8390	7101989



SHARE TRANSFER SYSTEM

The Stakeholders Relationship and Securities Transfer Committee meets as and when required to, inter alia consider issue of duplicate share certificates in lieu of original share certificates reported as lost/stolen/misplaced by the shareholders of the Company. In terms of the Listing Regulations, equity shares of the Company can only be transferred in dematerialized form. Requests for dematerialization of shares are processed and confirmation thereof is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL), within the statutory time limit from the date of receipt of share certificates/ letter of confirmation after due verification. Shareholders holding equity shares of the Company in physical form are requested to kindly get their equity shares converted into demat/electronic form to get inherent benefits of dematerialization and also considering that physical transfer of equity shares/issuance of equity shares in physical form have been disallowed by SEBI.

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2024

Shares – Range	Number Of Shareholders	% Of Total Shareholders	Total Shares For The Range	% Of Issued Capital
1-500	414090	91.9928	30668096	3.62
501-1000	16982	3.7727	13053812	1.54
1001-2000	8525	1.8939	12701059	1.50
2001-3000	3056	0.6789	7832272	0.93
3001-4000	1681	0.3734	6042890	0.71
4001-5000	1058	0.2350	4950030	0.58
5001-10000	2091	0.4645	15168433	1.79
10001- above	2650	0.5887	756018137	89.32
	450133	100.0000	846434729	100.00



DEMATERIALIZATION AND LIQUIDITY

The Company is a member of the depository services of the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialization of its shares. As on March 31, 2024, 99.66 % of the equity shares of the Company are in electronic form with the depositories as detailed below:

Category	No. of Shares	%
National Securities Depository Limited	465464940	55.00
Central Depository Services Limited	378077996	44.66
Physical Holdings	2891793	0.34
Total	846434729	100.00

Shareholders can get their shares dematerialized with either NSDL or CDSL. Through Link Intime India Private Limited, Registrars and Share Transfer Agents, the Company has established connectivity with both the depositories, that is, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE522D01027.

OUTSTANDING GDRS / ADRS / WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments in the past and hence as on March 31, 2024, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments. No equity shares are in the suspense account / demat suspense account / unclaimed suspense account.

The company's securities has not been suspended from trading till yet.

PLANT LOCATIONS

Since the company is not engaged in any manufacturing business, the company does not have any plant

CREDIT RATING

Details of Credit Rating is available as Point 38 of Boards Report

OTHER DISCLOSURES

- A** There were no materially significant related party transactions having potential conflict with the interests of the Company at large. Transactions with related parties are disclosed in Note 42 of Standalone financial statements.
- B** The Company has complied with all the directives issued by stock exchanges and other statutory authorities. No penalties and strictures were imposed on the Company by any of the regulatory authorities such as the Stock Exchange, SEBI, Reserve Bank of India, Registrar of Companies, for non- compliance on any matter related to capital markets during the last three years 2021-22 and 2022-23, 2023-24 except for the below:

Regulator	Regulation	Amount of Penalty	Details
BSE	Regulation 60(2) of SEBI (LODR) Regulations 2015- delayed submission of record date intimation	₹ 1,06,200/- (Rupees One Lakh Six Thousand and two hundred only) (₹ 90,000 plus GST)	Intimation on levy of fine received from BSE through mail on September 28, 2022. The Company paid the fine on Jan 31, 2023. However on April 11,2023, BSE informed that they have waived this penalty. UTRNo.NEFT/AXISCN0203909878/ MANAPPURAM34772728/Bombay S
BSE	Regulation 57(1) of SEBI (LODR) Regulations 2015 - Non-submission of information related to payment obligation	₹ 34,220(Rupees Thirty-Four thousand and Two Hundred Twenty)	Intimation on levy of fine received from BSE through mail on August 16, 2023. The company has requested to set off this penalty with the above penalty which has been waived off by BSE after making the payment by the company.

Regulator	Regulation	Amount of Penalty	Paid details
RBI	In connection with the off-site inspection / scrutiny of the entity conducted by Reserve Bank of India (RBI) in October 2020, a show cause notice was issued by RBI, vide letter DPSS.CO.OVRST.No.S514/06.07.004/2021-22 dated September 07, 2021, calling upon us to explain in writing why a penalty of ₹18,34,264 (Rupees eighteen lakh thirty four thousand two hundred and sixty four only) should not be imposed upon MAFIL under Section 30 of the PSS Act. After considering our reply to the said SCN, RBI vide speaking Order dated Mar 24, 2022, RBI came to the conclusion that the charge of non-compliance with the RBI directions on Know Your Customer (KYC) Direction 2016, was substantiated and warranted imposition of monetary penalty of ₹17,63,965/- (Rupees seventeen lakh sixty three thousand nine hundred and sixty five only) and the said penalty has been paid by MAFIL.	₹ 17,63,965	Penalty paid on April 02, 2022.
RBI	RBI by an Order dated June 12, 2023 received on June 16, 2023, imposed a monetary penalty of ₹20.00 lakh (Rupees Twenty lakh only) for the non-compliance of provisions of the "Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016". The non-compliance with the aforesaid directions to the extent (i) it did not classify certain gold loan accounts with overdue of more than 90 days as Non-Performing Assets (NPAs), and (ii) it did not ensure maintenance of the mandated Loan-to-Value (LTV) ratio in certain gold loan accounts during FY 2020-21	₹ 20,00,000	Penalty paid on July 01, 2023.
RBI	In connection with the observations made during the Inspection conducted by the RBI for the Financial year ended March 2022, an SCN was issued vide letter CO. ENFD. DENBFC. No.S245/02-14-006/2023-24 dt July 17, 2023. RBI that the Company did not pay the auction surplus amounts to ₹ 10.79 Cr which pertains to 56,854 borrowers whose gold ornaments were auctioned during the period between April 01 2021 and September 30, 2022. Out of the above, 42780 gold loan accounts which were opened/ repledged after the date of issuance of Speaking Order dt. November 19, 2020, auction surplus is pending to refund where the time period to refund the surplus is 43 days from the date of completion of auction and for the auction conducted during the April 01, 2021 and September 30, 2022, ₹ 8.46 Cr was pending to be repaid to the borrowers as on September 30, 2022. RBI by an Order dated November 16, 2023 imposed a monetary penalty of ₹ 42.78 Lakhs (Rupees Fourty Two Lakhs Seventy Eight Thousand Only) for the above said SCN.	₹42,78,000	Penalty paid on November 29, 2023.

C WHISTLE BLOWER POLICY AND VIGIL MECHANISM

The Company has formulated Whistle Blower Policy and Vigil Mechanism ("the Policy") in line with the provisions of Regulation 4 and 22 of the SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013 with a view to enabling stakeholders, including directors, individual employees and their representative bodies to freely communicate their concerns about illegal or unethical practices and to report genuine concerns to the Audit Committee of the Company.

The vigil mechanism of the Company provides adequate safeguards against the victimization of any directors or employees or any other person who avail the mechanism

and also provides direct access to the Chairperson of the Audit Committee. No person has been denied access to the Chairman of the audit committee. The said policy has been also put up on the website of the Company at the following link ;

<https://www.manappuram.com/sites/default/files/2024-06/whistle%20blower%20policy%202022%20%281%29%284%29.pdf>

D DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENTS AND ADOPTION OF THE NON-MANDATORY REQUIREMENTS

The Company has complied with all mandatory requirements of the Listing Regulations for the Financial



Year 2023-24 and details of discretionary requirements under Part E of Schedule II of the Listing Regulations are detailed in the later part of Corporate Governance Report.

E POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

<https://www.manappuram.com/sites/default/files/2024-05/Policy%20for%20determining%20Material%20Subsidiary%202022%284%29.pdf>

F POLICY ON RELATED PARTY TRANSACTIONS

<https://www.manappuram.com/sites/default/files/2023-12/MAFL-RPT%20Policy-Revised.pdf>

G COMMODITY PRICE RISKS, FOREIGN EXCHANGE RISKS AND HEDGING ACTIVITIES

Commodity Price Risks

The Company lends against the collateral of used gold jewellery. When the customer fails to repay the principal plus interest of the loan, the Company auctions the collateral and recovers the dues as per the RBI guidelines on gold loan auctioning. The amount recovered at the time of auction depends on the price of the gold content of the jewellery. Though in a long term perspective gold has appreciated, there were instances of depreciation of gold at times. The Company does therefore susceptible to commodity price risk. If gold prices are high, the amount of recovery at the time of auction is more which are to be shared with the borrower and when the price of gold is low the amount recovered at the time of auction is lower. At the time of auction, the Company at times may not collect full amount of interest due, especially if the price of gold is lower at the time of auction than at the time of disbursement. The company mitigates the price risks by offering incentives to borrowers for regular interest servicing, offering lower interest rate for loans with lower LTV and shorter maturity for the gold loans.

The company has shifted from short term loans with maturity of 90 days to a duration of one year as commodity price risk seems to have subsided. Price of gold has been staying at elevated levels and is likely to remain so due to various geo political tensions and inflationary trends. The trend in adding gold reserves by major central banks is likely to maintain gold price at the elevated levels. The elevated price of gold should positively impact collections as loss of principal and interest during auctions are expected to be negligible, thereby positively impacting yields. Besides, high price will also minimize the downside risk to AUM from a shrinkage in gold stocks held by us, assuming LTV is more or less the same.

Foreign Exchange Risks

The Company does not face any foreign exchange risks from its loan portfolio as all its loans are in Indian Rupee. The company's borrowing also largely in Indian rupee.

However, based on the market opportunities, the company also raises loans denominated in foreign currency. As a policy, the company fully hedge its foreign currency exposures and the Company does not have any un-hedged foreign currency borrowings. For hedging the company avoid complex derivative instruments and opts for plain vanilla forward contracts or cross currency swaps or its combinations for hedging foreign exchange risks.

H DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT AS SPECIFIED UNDER REGULATION 32 (7A).

The Company has not raised funds by issue of equity shares either on preferential basis or through qualified institutional placement during Financial Year 2023-24. Therefore, there are no details to be disclosed as per Regulation 32(7A) of Listing Regulations.

I A CERTIFICATE FROM A COMPANY SECRETARY IN PRACTICE 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 BOARD/MINISTRY OF CORPORATE AFFAIRS OR ANY SUCH STATUTORY AUTHORITY

In terms of the Listing Regulations, 2015, KSR & Co, Company Secretaries LLP, Company Secretaries, has issued a certificate that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Companies by SEBI / Ministry of Corporate Affairs or any other statutory authority. The certificate forms part of Corporate Governance Report and is given in **Annexure - A**.

J WHERE THE BOARD HAD NOT ACCEPTED ANY RECOMMENDATION OF ANY COMMITTEE OF THE BOARD WHICH IS MANDATORILY REQUIRED, IN THE RELEVANT FINANCIAL YEAR, THE SAME TO BE DISCLOSED ALONG WITH REASONS THEREOF:

In the financial year 2023-24 the board has accepted all recommendations of its committee.

K TOTAL FEES FOR ALL SERVICES PAID BY THE LISTED ENTITY AND ITS SUBSIDIARIES, ON A CONSOLIDATED BASIS, TO THE STATUTORY AUDITOR AND ALL ENTITIES IN THE NETWORK FIRM/NETWORK ENTITY OF WHICH THE STATUTORY AUDITOR IS A PART

₹26.05 million fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

L DISCLOSURES IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

- a. number of complaints filed during the financial year= 2
- b. number of complaints disposed of during the financial year= 2
- c. number of complaints pending as on end of the financial year= 0

M DISCLOSURE BY LISTED ENTITY AND ITS SUBSIDIARIES OF 'LOANS AND ADVANCES IN THE NATURE OF LOANS TO FIRMS/COMPANIES IN WHICH DIRECTORS ARE INTERESTED BY NAME AND AMOUNT.

Details are provided in Note No.47 to the Standalone Financial Statements in this Annual Report.

N DETAILS OF MATERIAL SUBSIDIARIES OF THE LISTED ENTITY; INCLUDING THE DATE AND PLACE OF INCORPORATION AND THE NAME AND DATE OF APPOINTMENT OF THE STATUTORY AUDITORS OF SUCH SUBSIDIARIES

The audit committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies. The minutes of the board meetings along with a report on significant transactions and arrangements entered into by the unlisted subsidiary companies are quarterly reviewed by the Board of Directors of the Company. The Company have only one material subsidiary within the meaning of Regulation 16 (1) (C) of SEBI (LODR) Regulations 2015.

Name of Material Subsidiary	Asirvad Micro Finance Limited
Date and place of incorporation	August 29, 2007 Place of Incorporation-Chennai
Name and date of appointment of the statutory auditors	M/s M. P. Chitale & Co., Chartered Accountants (Firm Registration No.101851W) Date of Appointment-September 08, 2021

The Company has framed the policy on material subsidiaries and the same is uploaded in the website at the weblink.

<https://www.manappuram.com/sites/default/files/2024-05/Policy%20for%20determining%20Material%20Subsidiary%202022%284%29.pdf>

THE COMPANY HAS COMPLIED WITH ALL THE REQUIREMENT OF CORPORATE GOVERNANCE REPORT OF SUB-PARAS (2) TO (10) ABOVE.

A Certificate obtained from the Company Secretary in Practice towards compliance of provisions of Corporate Governance is annexed with the Board's Report in terms of the provisions of Part E of Schedule V of the SEBI (LODR) Regulations 2015.

EXTENT TO WHICH THE DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II HAVE BEEN ADOPTED.

The Company is in Compliance with all the corporate Governance requirements mandated by Part A to D of schedule II of the SEBI (LODR) Regulations 2015. The extent of compliance of discretionary requirements as prescribed in Schedule II Part E of SEBI (LODR) Regulations 2015 are as follows-

A. A non-executive chairperson may be entitled to maintain a chairperson's office at the listed entity's expense and also allowed reimbursement of expenses incurred in performance of his /her duties.

The Company does not maintain a separate office for the Non-executive Chairman.

B. A half-yearly declaration of financial performance including summary of the significant events in the last six-months, may be sent to each household of shareholders.

The quarterly/half /yearly financial results are published in newspapers of wide circulation. The Company not sending Financial results to the household of Individual shareholders.

C. The listed entity may move towards a regime of financial statements with unmodified audit opinion.

The Company's Financial statements for the Financial Year 2023-24 do not contain any modified audit opinion.

D. Separate posts of Chairperson and the Managing Director or the Chief Executive Officer

The Company have separate persons to the post of Chairman and Managing Director / Chief Executive Officer. Mr. Shailesh J Mehta is the Non-Executive Chairman of the Company w.e.f. November 13, 2021. Whereas Mr. V. P. Nandakumar is the Managing Director and Chief Executive Officer of the Company.

E. Reporting of internal auditor

Pursuant to RBI Circular RBI/2020-21/88 Ref. No. DoS. CO. PPG. /SEC. 05/ 11. 005/2020-21 dated 03.02.2021, Board of Directors appointed in house Head Internal Auditor (HIA). HIA is reporting to Managing Director functionally and the reviewing authority is the Audit Committee. Further Audit Committee has met with HIA without the presence of the senior management (including the MD & CEO/WTD) on quarterly basis.

Inhouse Internal Audit department make presentation before the audit committee of Company on quarterly basis. Deloitte Haskins & Sells LLP, the external service provider was appointed by the Board to assist internal audit of the Company, make presentations to the audit committee on their reports.



THE DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND CLAUSES (B) TO (I) OF SUB-REGULATION (2) OF REGULATION 46 OF THE LISTING REGULATIONS ARE AS FOLLOWS:

Sl. No	Regulation	Particulars of Regulation	Compliance Status (Yes/ No)
1	17	Board of Directors	Yes
2	17A	Maximum Number of Directorships	Yes
3	18	Audit Committee	Yes
4	19	Nomination and Remuneration Committee	Yes
5	20	Stakeholders Relationship Committee	Yes
6	21	Risk Management Committee	Yes
7	22	Vigil Mechanism	Yes
8	23	Related Party Transactions	Yes
9	24	Corporate Governance requirements with respect to subsidiary of listed entity	Yes
10	24A	Secretarial Audit and Secretarial Compliance Report	Yes
11	25	Obligations with respect to Independent Directors	Yes
12	26	Obligation with respect to Directors and senior management	Yes
13	27	Other Corporate Governance requirements	Yes
14	46(2)(b) to (i)	Website	Yes

CODE OF CONDUCT

As per Regulation 26 of SEBI (LODR) Regulations, 2015, the Company has framed a Code of Conduct for the directors and senior management personnel and the same has been uploaded on to the website of the Company and is accessible to the shareholders of the Company at

<https://www.manappuram.com/management-team>

It is hereby affirmed that all the Board members and senior management personnel have complied with Code of Conduct of the Company. In terms of the provisions of Part E of Schedule V of the SEBI (LODR) Regulations, 2015, a declaration signed by the Chief Executive Officer of the Company is published in this report as Annexure - B.

PRACTICING COMPANY SECRETARIES' COMPLIANCE CERTIFICATE

A certificate obtained from the Company Secretary in practice towards compliance of provisions of Corporate Governance is annexed with the Board's Report in terms of the provisions of Part E of Schedule V of the SEBI (LODR) Regulations, 2015.

DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

No equity shares are in the suspense account / demat suspense account / unclaimed suspense account.

DISCLOSURE OF CERTAIN TYPES OF AGREEMENTS BINDING LISTED ENTITIES

There are no agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the listed entity or of its holding, subsidiary or associate company, among themselves or with the listed entity or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or impose any restriction or create any liability upon the listed entity.

EXPLANATION AS PER SEBI CIRCULAR SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/172 DATED OCTOBER 19, 2023

We haven't raised the necessary amount in the last two years since there hasn't been adequate liquidity in the market. Aside from this, NCD funding was more expensive than regular funding.

On Behalf of the Board

Sd/-

Place: Valapad
Date: May 24, 2024

V. P. Nandakumar
Managing Director & CEO

Annexure A
CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V - Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
 Manappuram Finance Limited,
 W-4/638A,
 Manappuram House, Valappad,
 Thrissur- 680 567

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Manappuram Finance Limited** having CIN L65910KL1992PLC006623 and having its registered office at Manappuram Finance Limited, W-4/638A, Manappuram House, Valappad, Thrissur- 680 567 (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) read with Schedule V- Para C Sub-clause 10(i) of the Securities and 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 ended on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment/Re-appointment in the Company
1	Mr.Shailesh J Mehta	01633893	August 28, 2020
2	Mr.Abhijit Sen	00002593	August 27, 2019
3	Mr.V.R.Ramachandran	00046848	July 31, 2014 and July 31, 2019 (Re-appointment)
4	Mr.P.Manomohan	00042836	July 31, 2014 and July 31, 2019 (Re-appointment)
5	Dr.Sumitha Nandan	03625120	January 01, 2023
6	Mr.V.P. Nandakumar	00044512	July 15, 1992 and July 28, 2022 (Re-appointment)
7	Mr.Harshan Kollara	01519810	August 28, 2020
8	Mr.S.R. Balasubramanian	03200547	September 10, 2021
9	Ms.Pratima Ram	03518633	September 23, 2022 and April 1, 2024 (Re-appointment)
10	Mr.V. P. Seemandhini	07850522	December 23, 2022
11	Mr.T.C.Suseel Kumar	06453310	November 01, 2023
12	Mr.Sankaran Nair Rajagopal	10087762	January 01, 2024
13	Mr.Edodijil Kunhiraman Bharat Bhushan	01124966	March 01, 2024

Mr. Gautam Ravi Narayan stepped down as Non-Executive – Non-Independent Director of the Board of the Company with effect from 04th April 2023.

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 these 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.

For KSR & Co Company Secretaries LLP

Sd/-

Dr. C. V. Madhusudhanan

Partner

FCS: 5367; CP:4408

UDIN:F005367F000443398

Peer Review No.2635/2022

Date: 24-05-2024

Place: Coimbatore



Annexure-B
DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND
SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S

CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for the Directors and senior management personnel. I confirm that the Company has in respect of the year ended 31 March, 2024, received from the Senior Management Personnel of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

On Behalf of the Board

Place: Valapad
Date: May 24, 2024

Sd/-
V. P. Nandakumar
Managing Director & CEO

Independent Auditor's Report

To the Members of Manappuram Finance Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Manappuram Finance Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including Other Comprehensive income, Statement of Changes in Equity and Statement of Cash Flow for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 Companies (Indian Accounting Standards) Rules, 2015, as amended (the "Rules") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, Standalone profit, 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 standalone financial statements in accordance with the Standards on Auditing (SAs) 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 Standalone 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 standalone 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 Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

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 year ended March 31, 2024. These matters were addressed in the context of our audit of the standalone 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.

Sr. Key Audit Matter No	How the Key Audit Matter was addressed in our audit
<p>1. Interest Income on Gold Loans:</p> <p>Interest Income on Gold Loan as at March 31, 2024: ₹ 44,232.98 millions</p> <p>Refer note 27(i) to the standalone financial statements</p> <p>Interest Income on Gold Loan is based on the various gold loan schemes provided by the Company which is netted off against the rebates & discounts given for prompt or early payments. The calculation of the rebates & discount amounts netted off against the interest income involve complexities on account of descretion & managment judgement which is dependent upon the timing and period of repayment under the different schemes. Penal interest charged on account of delay payments dependent on the nature & period of delay and hence subject to judgement.</p> <p>Considering the significance of interest income on gold loans and the above factors we have considered Interest Income on gold loan as Key Audit Matter</p>	<p>Our audit procedures in respect of this matter included the following but not limited to:</p> <ul style="list-style-type: none"> • Obtained an understanding of management's process, systems/applications and controls implemented on in relation to computation & recognition of interest income on gold loans. • Evaluated and validated the design, implementation and operating effectiveness of key internal financial controls pertaining to the recognition of the various gold loan schemes and interest income thereon, including rebates & discounts. • The entire computation of interest income is automated and system driven. We have performed the following audit procedure with respect to around interest income on gold loans: <ul style="list-style-type: none"> i. Selected samples and verified accuracy of interest income under various gold loans schemes by performing recomputation.



Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
		<ul style="list-style-type: none"> ii. Selected samples of continuing and new gold loan schemes and tested the operating effectiveness of the internal control, relating to interest income computation. We also carried out a combination of procedures involving inquiry, and observation and inspection of evidence in respect of operation of these controls. iii. Performed analytical procedures and test of details procedures for testing the accuracy and completeness of revenue recognized. iv. Tested the relevant IT general controls around access and change management relating to interest income computation and related information used in interest computation. v. Obtained the list of modifications made in the interest scheme master during the year and verified the same on test check basis. vi. Assessed the appropriateness, accuracy and adequacy of related presentation and disclosures in accordance with the applicable accounting standards.
<p>2 Provision for Expected Credit Losses (ECL) on Loans:</p> <p>Total Gross Loans as at March 31, 2024: ₹ 2,93,506.95 millions</p> <p>Impairment Provision as at March 31, 2024: ₹ 2,122.37 millions</p> <p>Refer note 10 to the standalone financial statements</p> <p>In accordance with INDAS 109, the Company applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the loans assets. Significant judgements are used in classifying loan assets and applying appropriate measurement principles. The allowance for expected credit losses ("ECL") involves a significant level of management judgement and estimation uncertainty in the following key areas:</p> <ul style="list-style-type: none"> • Assessing whether there has been a significant increase in credit risk for exposures since its initial recognition by comparing the risk of default occurring over the expected life of the asset between the date of initial recognition and the reporting date, which involves estimation uncertainty in computing the default risk over life of the assets which is likely to be more than one year. • Classification of loan assets to stage 1, 2, or 3 using criteria in accordance with Ind AS 109 where no significant increase in credit risk has been observed, such assets are classified in "Stage 1", loans that are considered to have significant increase in credit risk are not credit impaired are considered to be in "Stage 2" and those which are in default or for which there is an objective evidence of impairment are considered to be in "Stage 3". Such classification requires significant management judgements due to the nature of loan assets and assessment required thereon. 	<p>Our audit procedures in respect of this matter included the following, but not limited to:</p> <ul style="list-style-type: none"> • Examined policies approved by the Board of Directors for computation of ECL that addresses procedures and controls for assessing and measuring credit risk on all lending exposures commensurate with the size, complexity and risk profile specific to the Company. • Evaluated & validated the design and operating effectiveness of controls across the processes relevant to allowance for ECL. These controls, among others, included controls over the allocation of assets into stages including management's monitoring of stage effectiveness, model monitoring including the need for post model adjustments, model validation, credit monitoring, individual/ collective provisions and production of journal entries and disclosures. • Verified the completeness of loans included in the Expected Credit Loss calculations as of 31 March 2024. • Selected samples & verified appropriateness of classification of loan assets in stage 1, 2 and 3 in accordance with the policy approved by the Board of Directors. • Selected samples of exposure and verified the appropriateness of determining Exposure at Default (EAD), PD and LGD. Further, also checked the appropriateness of information used in the estimation of the Probability of Default ("PD") and Loss given Default ("LGD") for the different stages depending on the nature of the portfolio. 	

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
	<p>• Determination of Exposures at Default ("EAD"), probability of defaults (PD) and estimation of loss given defaults (LGD). The probability of default for the pools are computed based on the historical trends, adjusted with any forward looking factors which is subject to estimation uncertainty. Similarly the Company computes the Loss Given Default based on the recovery rates as estimated by management.</p> <p>Considering the above, allowance for Expected Credit Loss on Loan Assets requires a high degree of judgement and estimation uncertainty, with a potential range of outcomes which have a significant impact on the financial statements. Accordingly, we have determined Provision for Expected Credit Losses (ECL) on Loans as Key Audit Matter.</p>	<ul style="list-style-type: none"> • Performed an overall assessment of the ECL provision levels at each stage. • Assessed the adequacy and appropriateness of disclosures in compliance with the Ind AS 107 in relation to ECL especially in relation to judgements used in estimation of ECL provision.
<p>3 Information Technology ("IT") Systems and Controls</p> <p>The Company has a complex IT system to support its recording of customer's operational data, business processes, ensuring complete and accurate processing of financial transactions and supporting the overall internal control framework.</p> <p>In particular, the IT system is used for recording all disbursements and collections, identification and tagging of pledged loans to customers and calculating interest income and overdue days.</p> <p>The Company's accounting and financial reporting processes are dependent on automated controls enabled by IT systems which impacts key financial accounting and reporting items such as loans, interest income, impairment on loans amongst others.</p> <p>The reliability and security of IT systems play a key role in the business operation. The controls implemented by the Company in its IT environment determine the integrity, accuracy, completeness and validity of data that is processed by the applications and is ultimately used for financial reporting.</p> <p>Accordingly, we have identified 'IT systems and controls' as key audit matter because of the high level automation, significant number of systems being used by the management and the complexity of the IT architecture and its impact on the financial reporting system.</p>	<p>Our audit procedures with respect to this matter included the following, but were not limited to the following:</p> <ul style="list-style-type: none"> • Involved IT specialists as part of the audit for the purpose of testing the IT general controls and application controls (automated and semiautomated controls) to determine the accuracy of the information produced by the Company's IT systems; • Obtained a comprehensive understanding of IT applications landscape implemented at the Company. It was followed by process understanding, mapping of applications to the same and understanding financial risks posed by people-process and technology; • Tested design and operating effectiveness of key controls operating over user access management, change management, computer operations (which includes testing of key controls pertaining to, backup and incident management and data centre security), System interface controls. This included testing that requests for access to systems were appropriately logged, reviewed, and authorized. • Tested the design and operating effectiveness of certain automated controls, that were considered as key internal system controls over financial reporting were tested. Using various techniques such as inquiry, review of documentation / record / reports, observation, and re-performance. We also tested few controls using negative testing technique; • Tested compensating controls and performed alternate procedures, where necessary. In addition, understood where relevant, changes made to the IT landscape during the audit period. 	



Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after that date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act read with the Rules thereunder. 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone 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 standalone 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 control 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 with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of material accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.
- Conclude on the appropriateness of management and Board of Director'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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 standalone financial statements for the year ended March 31, 2024 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 "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 (h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
 - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Rules thereunder.
- (e) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- (f) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (h) 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements (Refer Note 41 of the standalone financial statements).
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses (Refer Note 76 to the standalone financial statements).
 - iii. There Company has transferred ₹4.40 millions of Unclaimed dividend to the Investor Education and Protection Fund during the financial year 2023-24.
 - iv. a. The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note 64B (i) to the standalone financial statements, no funds 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, 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 represented, that, to the best of its knowledge and belief, as disclosed in the Note 64B(ii) to the standalone financial statements, no funds 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, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard 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) of the Act as provided under (1) and (2) above, contain any material mis-statement.
- v. The Company has declared and paid dividend during the year which is in compliance with section 123 of the Act.
- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which have features of recording audit trail (edit log) facility. As observed, in course of our audit, for one of the software, audit trail is not enabled at the database level. Except for this instance, the audit trail facility in the accounting software has been operating throughout the year for all relevant transactions recorded in the software and we did not come across any instance of audit trail feature being disabled or tampered with during the course of our audit.
3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 read with Schedule V of the Act and the rules thereunder.

For **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration Number: 105047W

sd/-

Tushar Kurani

Membership Number: 118580

UDIN: 24118580BKFLZV2019

Kolkata

May 24, 2024

For **S K Patodia & Associates LLP**

Chartered Accountants

CAI Firm Registration Number: 112723W/W100962

sd/-

Ankush Goyal

Membership Number: 146017

UDIN: 24146017BKESEY7433

Valapad

May 24, 2024

“Annexure A” to the Independent Auditor’s Report

of even date on the Standalone Financial Statements of Manappuram Finance Limited

[Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ in the Independent Auditors’ Report]

- | | |
|---|--|
| <p>i. (a) A The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.</p> <p>(a) B The Company has maintained proper records showing full particulars of intangible assets.</p> <p>(b) Property, plant and equipment have been physically verified by the management at reasonable intervals during the year and no material discrepancies were identified on such verification.</p> <p>(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the standalone financial statements, are held in the name of the Company.</p> <p>(d) According to the information and explanations given to us, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year. Accordingly, the provisions stated under clause 3(i)(d) of the Order are not applicable to the Company.</p> <p>(e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated under clause 3(i)(e) of the Order are not applicable to the Company.</p> <p>ii. (a) The Company is involved in the business of rendering services and does not hold any inventory. Accordingly, the provisions stated under clause 3(ii)(a) of the Order are not applicable to the Company.</p> <p>(b) During the year the Company has been sanctioned working capital limits in excess of ₹ 5 crores in aggregate from Banks and/ financial institutions on the basis of security of Loan assets. Based on the records examined by us in the normal course of audit of the standalone financial statements, quarterly returns / statements filed with such Banks/ financial institutions are in agreement with the books of accounts of the Company.</p> | <p>iii. (a) The Company involved in the business of giving loans, hence the requirements under paragraph 3 (iii) (a) of the Order are not applicable to the Company.</p> <p>(b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the investments made, guarantees provided, securities given and terms and conditions in relation to grant of all loans and advances in the nature of loans, investments made, guarantees provided and securities given are not prejudicial to the interest of the Company.</p> <p>(c) The Company is a Non-Banking Finance Company (‘NBFC’), which provides a wide range of fund based and fee based services including gold loans, money exchange facilities, etc, the borrower-wise details of the amount, due date for payment and extent of delay (that has been suggested in the Guidance Note on CARO 2020 issued by the Institute of Chartered Accountants of India for reporting under this clause) have not been reported because it is not practicable to furnish such details owing to the voluminous nature of data generated in the normal course of the Company’s business. Further, except for the instances where there are delays or defaults in repayment of principal and/ or interest and in respect of which the Company has recognised necessary provisions in accordance with the principles of Indian Accounting Standards (Ind AS) and the guidelines issued by the Reserve Bank of India (‘RBI’) for Income Recognition and Asset Classification (which has been disclosed by the Company in Note 60 to the standalone financial statements), the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable.</p> <p>(d) In respect of the loans/ advances in nature of loans, the total amount overdue for more than ninety days as at March 31, 2024 is ₹ 5,466.58 million. In such instances, in our opinion, based on information and explanations provided to us, reasonable steps have been taken by the Company for the recovery of the principal amounts and the interest thereon.</p> <p>(e) The Company’s principal business is to give loans and is a registered NBFC, accordingly, provisions stated under clause 3(iii)(e) of the Order is not applicable to the Company.</p> <p>(f) According to the information explanation provided to us, the Company has not granted any loans and / or advances in the nature of loans, including to promoters</p> |
|---|--|



or related parties as defined in clause (76) of section 2 of the Companies Act, 2013 either repayable on demand or without specifying any terms or period of repayment during the year. Accordingly, the provisions stated under clause 3(iii)(f) of the Order are not applicable to the Company.

- iv. According to the information and explanations given to us, there are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Act, are applicable and accordingly, the provisions stated under clause 3(iv) of the Order is not applicable to the Company.
- v. According to the information and explanations given to us, the Company being Non-Banking Financial Company registered with RBI, provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, are not applicable to the Company.
- vi. The provisions of sub-Section (1) of Section 148 of the Act are not applicable to the Company as the Central

Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated under clause 3(vi) of the Order are not applicable to the Company.

- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues have been regularly deposited by the Company with appropriate authorities in all cases during the year.

There are no undisputed amounts payable in respect of Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, cess, and other statutory dues in arrears as at March 31, 2024, outstanding for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us and examination of records of the Company, the outstanding dues of income-tax, goods and service tax, customs duty, cess and any other statutory dues on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ In Million)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	307.2	Assessment Year 2015-16	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	1.38	Assessment Year 2018-19	Assistant Commissioner of Income Tax Appeals
Kerala Value Added Tax, 2003	Value Added Tax (excluding penalty and interest, if any)	44.99	Assessment Years 2009- 10, 2010-11, 2011-12, 2012- 13 and 2014-15	Deputy Commissioner (Appeals)
Income Tax Act, 1961	Income Tax	462.7	Assessment Year 2020-21	Appeal is before the First Authority. (i.e Commissioner IT Appeals).
Income Tax Act, 1961	Income Tax	36.9	Assessment Year 2015-16 & 2016-17	Appeal is before the First Authority. (i.e Commissioner IT Appeals)
Income Tax Act, 1961	Income Tax	50.5	Assessment Year 2017-18	Appeal is filed before the Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	0.78	Assessment Year 2022-23	Appeal is filed before the Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	57.82	Assessment Year 2015-16	Appeal is filed before the Commissioner of Income Tax (Appeals)
Goods and Services tax Act, 2017- Chhattisgarh	Goods and Service Tax	0.77	Financial Year 2017-18	Appeal filed before Addl Commissioner Appeals

Name of the statute	Nature of dues	Amount (₹ In Million)	Period to which the amount relates	Forum where dispute is pending
Goods and Services tax Act, 2017- Haryana	Goods and Service Tax	2.81	Financial Year 2017-18	Appeal filed before Joint Commissioner Appeals
Goods and Services tax Act, 2017 – Telangana	Goods and Service Tax	0.55	Financial Year 2017-18	Appeal filed before Joint Commissioner Appeals
Goods and Services tax Act, 2017 - Andhra Pradesh	Goods and Service Tax	29	Financial Year 2017-18	Appeal filed before Commissioner of Central Tax

- viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.
- ix. (a) In our opinion and according to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information explanation given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from an any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Accordingly, reporting under Clause 3(ix)(f) of the order is not applicable to the Company.
- x. (a) In our opinion and according to the information explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated under clause 3(x)(a) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly, or optionally convertible debentures during the year. Accordingly, the provisions stated under clause 3(x)(b) of the Order are not applicable to the Company.
- xi. (a) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we report that no material fraud by the Company or on the Company has been noticed or reported during the year in the course of our audit.
- (b) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 has been filed with the Central Government vide letter dated December 23, 2023.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing, and extent of audit procedures.
- xii. The Company is not a Nidhi Company. Accordingly, the provisions stated under clause 3(xii)(a) to (c) of the Order are 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 the related parties are in compliance with Sections 177 and 188 of the Companies



Act, 2013, where applicable and details of such transactions have been disclosed in the Note 42 of standalone financial statements as required by the applicable Indian accounting standards.

- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered internal audit reports issued by internal auditors during our audit 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, in our opinion, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with its directors and accordingly, the reporting on compliance with the provisions of Section 192 of the Companies Act, 2013 in clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is required to and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) as Non-Deposit taking Systemically Important (NBFC-ND-SI) Company.
- (b) The Company has conducted non-banking financial activities during the year and the Company holds a valid Certificate of Registration from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the provisions stated under clause 3(xvi)(c) of the Order are not applicable to the Company.
- (d) According to the information and explanations provided to us, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core Investment Company (as part of its group. Accordingly, the provisions stated under clause 3(xvi)(d) of the order are not applicable to the Company.
- xvii. Based on the overall review of standalone financial statements, the Company has not incurred cash losses in

For **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration Number: 105047W

sd/-

ITushar Kurani

Membership Number: 118580

UDIN: 24118580BKFLZV2019

Kolkata

May 24, 2024

the current financial year and in the immediately preceding financial year. Accordingly, the provisions stated under clause 3(xvii) of the Order are not applicable to the Company.

- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the provisions stated under clause 3(xviii) of the Order are 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 standalone 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 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 our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable
- (b) There are no unspent amounts in respect of any ongoing projects, that are required to be transferred to a special account in compliance of provision of sub-section 6 of section 135 of the Act. This matter has been also disclosed in note 34(d) to the standalone financial statements.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said Clause has been included in the report.

For **S K Patodia & Associates LLP**

Chartered Accountants

CAI Firm Registration Number: 112723W/W100962

sd/-

Ankush Goyal

Membership Number: 146017

UDIN: 24146017BKESY7433

Valapad

May 24, 2024

“Annexure B” to the Independent Auditor’s Report

of even date on the Standalone Financial Statements of Manappuram Finance Limited

[Referred to in paragraph 2(g) under ‘Report on Other Legal and Regulatory Requirements’ in the Independent Auditors’ Report of even date to the Members of Manappuram Finance Limited on the Financial Statements for the year ended March 31, 2024]

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 with reference to Standalone Financial Statements of the “Company” as of March 31, 2024 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Opinion

In our opinion, the Company, including has, in all material respects, an adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2024, based on the internal control with reference to Standalone Financial Statements 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 issued by the Institute of Chartered Accountants of India (ICAI) (the “Guidance Note”).

Management and Board of Director’s Responsibility for Internal Financial Controls

The Company’s Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to Standalone Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 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.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of

internal financial controls. 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 with reference to Standalone Financial Statements was 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 with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, 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 judgement, including the assessment of the risks of material misstatement of the Standalone 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 with reference to Standalone Financial Statements.

Meaning of Internal Financial Controls With reference to Standalone Financial Statements

A company’s internal financial control with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to Standalone Financial Statements 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 Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the standalone financial statements.



Inherent Limitations of Internal Financial Controls With reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, 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 with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration Number: 105047W

sd/-

Tushar Kurani

Membership Number: 118580

UDIN: 24118580BKFLZV2019

Kolkata

May 24, 2024

For **S K Patodia & Associates LLP**

Chartered Accountants

CAI Firm Registration Number: 112723W/W100962

sd/-

Ankush Goyal

Membership Number: 146017

UDIN: 24146017BKESEY7433

Valapad

May 24, 2024

Standalone Balance Sheet

as at 31st March, 2024

(All amounts are in millions, unless otherwise stated)

Particulars	Note No:	As at 31 March, 2024	As at 31 March, 2023
ASSETS			
1 Financial assets			
Cash and cash equivalents	8	15,293.86	18,727.00
Bank balances other than above	9	2,073.64	2,068.02
Loans	10	2,91,384.58	2,45,584.02
Investments	11	17,655.71	14,542.34
Other financial assets	12	2,910.84	2,095.04
2 Non-financial assets			
Current tax assets (net)	13	524.94	8.44
Deferred tax assets (net)	35	929.54	808.21
Property, plant and equipment	14	3,597.31	3,577.63
Capital work-in-progress		333.46	160.11
Right of use asset	41(iii)	4,448.36	4,978.66
Other intangible assets	15	107.27	138.49
Other non-financial assets	16	466.75	687.10
Total assets		3,39,726.26	2,93,375.06
LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial liabilities			
Derivative financial instruments	17	110.22	32.85
Payables			
a) Trade payables	18		
(i) total outstanding dues of micro enterprises and small enterprises		2.23	2.60
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,064.02	959.15
Debt securities	19	44,339.81	49,608.07
Borrowings (other than debt securities)	20	1,80,328.51	1,42,685.00
Lease liability	41(iii)	5,339.14	5,743.43
Other financial liabilities	22	2,541.02	2,569.47
2 Non-financial Liabilities			
Provisions	23	573.07	575.14
Other non-financial liabilities	24	1,935.56	1,400.27
		2,36,233.58	2,03,575.98
3 EQUITY			
Equity share capital	25	1,692.87	1,692.79
Other equity	26	1,01,799.81	88,106.29
Total liabilities and equity		3,39,726.26	2,93,375.06

See accompanying notes forming part of the standalone financial statements.

As per our Report of even date

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No:105047W

Sd/-
Tushar Kurani
Partner
Membership No: 118580
Place :Kolkata

For **S K Patodia & Associates LLP**
Chartered Accountants
ICAI Firm Registration No:112723W/W100962

Sd/-
Ankush Goyal
Partner
Membership No:146017

Place: Valapad
Date: 24th May, 2024

For and on behalf of the Board of Directors

Sd/-
V. P. Nandakumar
Managing Director & CEO
DIN: 00044512

Sd/-
Bindu A. L
Chief Financial Officer

Place: Valapad
Date: 24th May, 2024

Sd/-
V. R. Ramachandran
Non Executive Director
DIN:00046848

Sd/-
Manoj Kumar V. R
Company Secretary



Standalone Statement of Profit and Loss

for the Year ended 31st March, 2024

(All amounts are in millions, unless otherwise stated)

Particulars	Note No:	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
(I) Revenue from operations			
(i) Interest income	27 (i)	57,205.62	47,541.97
(ii) Fees and commission income	27 (ii)	29.99	31.48
(iii) Net gain on fair value changes	27 (iv)	0.01	0.17
(iv) Net gain on derecognition of financial instruments		407.22	215.99
(v) Dividend Income	27 (iii)	150.00	80.38
(vi) Other operating income	27 (v)	506.30	280.66
Total Revenue from operations (I)		58,299.14	48,150.65
(II) Other income	28	247.35	117.93
(III) Total income (I + II)		58,546.49	48,268.58
Expenses			
(i) Finance costs	29	18,281.18	14,984.12
(ii) Fees and commission expense	30	505.51	254.30
(iii) Impairment on financial instruments	31	1,083.98	450.60
(iv) Employee benefits expenses	32	10,221.73	10,025.70
(v) Depreciation and amortisation	33	1,878.33	1,626.15
(vi) Other expenses	34	4,359.50	3,864.43
(IV) Total expenses (IV)		36,330.23	31,205.30
(V) Profit before tax (III - IV)		22,216.26	17,063.28
(VI) Tax expense:	35		
(1) Current tax		5,727.56	4,544.89
(2) Deferred tax		(89.05)	(144.24)
(3) Earlier years adjustments		-	-
Total Tax Expense		5,638.51	4,400.65
(VII) Profit for the year (V - VI)		16,577.75	12,662.63
(VIII) Other comprehensive income			
A (i) Items that will not be re classified to profit or loss			
(a) Remeasurement gain/(loss) on post-employment defined benefit plans.		(13.48)	(1.80)
(ii) Income tax relating to items that will not be reclassified to profit or loss		3.39	0.45
Subtotal (A)		(10.09)	(1.35)
B (i) Items that will be classified to profit or loss			
(a) Fair value changes of cash flow hedges		(114.69)	329.81
(ii) Income tax relating to items that will be reclassified to profit or loss		28.88	(83.04)
Subtotal (B)		(85.81)	246.77
Other comprehensive income		(95.90)	245.42
(IX) Total comprehensive income for the year (VII + VIII) (Comprising profit and other comprehensive income for the year)		16,481.85	12,908.05
(X) Earnings per equity share (Nominal value per share - ₹ 2)	36		
Basic (₹)		19.59	14.96
Diluted (₹)		19.59	14.96

See accompanying notes forming part of the standalone financial statements.

As per our Report of even date

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No:105047W

Sd/-
Tushar Kurani
Partner
Membership No: 118580
Place :Kolkata

For **S K Patodia & Associates LLP**
Chartered Accountants
ICAI Firm Registration No:112723W/W100962

Sd/-
Ankush Goyal
Partner
Membership No:146017

Place: Valapad
Date: 24th May, 2024

For and on behalf of the Board of Directors

Sd/-
V. P. Nandakumar
Managing Director & CEO
DIN: 00044512

Sd/-
Bindu A. L
Chief Financial Officer

Place: Valapad
Date: 24th May, 2024

Sd/-
V. R. Ramachandran
Non Executive Director
DIN:00046848

Sd/-
Manoj Kumar V. R
Company Secretary

Standalone Statement of changes In Equity Capital

for the Year ended 31st March, 2024

(All amounts are in millions, unless otherwise stated)

A. Equity share capital

Equity shares of ₹ 2 each issued, subscribed and fully paid

Particulars	No. in Millions	₹ in Millions
As at 1 st April, 2022	846.39	1,692.79
Issued during the year - ESOP	-	-
As at 31 st March, 2023	846.39	1,692.79
Issued during the year - ESOP	0.04	0.08
As at 31 st March, 2024	846.43	1,692.87

B. Other Equity

Particulars	Share application money pending allotment	Statutory reserve	Securities premium	Share option outstanding account	Reserves and Surplus			Hedge reserve	Other comprehensive income - actuarial gain / (loss)	Total
					Impairment Reserve	General reserve	Retained earnings			
Balance as at 1 April 2022	0.02	17,177.13	14,108.75	137.55	439.93	3,627.02	42,592.22	4.24	(350.87)	77,735.99
Dividends	-	-	-	-	-	-	(2,539.18)	-	-	(2,539.18)
Transfer to/from retained earnings	-	2,532.53	-	-	-	-	(2,532.53)	-	-	-
Other Additions/ Deductions during the year										
Foreign exchange rate variations in hedging instruments	-	-	-	-	-	-	-	1.17	-	1.17
Shares allotted during the year	-	-	-	-	-	-	-	-	-	-
ESOP Expenses	-	-	-	0.28	-	-	-	-	-	0.28
Utilised during the year	(0.02)	-	-	-	-	-	-	-	-	(0.02)
Share premium received during the year	-	-	-	-	-	-	-	-	-	-
Profit for the year (net of taxes)	-	-	-	-	-	-	12,662.63	-	-	12,662.63
Other comprehensive income for the year (net of taxes)	-	-	-	-	-	-	-	-	245.42	245.42
Balance as at 31 March 2023	(0.00)	19,709.66	14,108.75	137.83	439.93	3,627.02	50,183.14	5.41	(105.45)	88,106.29
Dividends	-	-	-	-	-	-	(2,793.18)	-	-	(2,793.18)
Transfer to/from retained earnings	-	3,315.55	-	-	-	-	(3,315.55)	-	-	-



Standalone Statement of changes In Equity Capital

for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Particulars	Reserves and Surplus							Total	
	Share application money pending allotment	Statutory reserve	Securities premium	Share option outstanding account	Impairment Reserve	General reserve	Retained earnings		Hedge reserve
Other Additions/ Deductions during the year									
Foreign exchange rate variations in hedging instruments	-	-	-	-	-	-	-	-	-
Shares allotted during the year	-	-	-	-	-	-	-	-	-
ESOP Expenses	-	-	-	-	-	-	-	-	-
Utilised during the year	-	-	-	-	-	-	-	-	-
Options Lapsed	-	-	-	(133.31)	-	133.31	-	-	-
Share premium received during the year	-	-	9.37	(4.52)	-	-	-	-	4.85
Profit for the year (net of taxes)	-	-	-	-	-	-	16,577.75	-	16,577.75
Other comprehensive income for the year (net of taxes)	-	-	-	-	-	-	-	(95.90)	(95.90)
Balance as at 31 March 2024	(0.00)	23,025.21	14,118.12	(0.00)	439.93	3,760.33	60,652.16	5.41	(201.35) 1,01,799.81

As per our Report of even date

For **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No:105047W

Sd/-

Tushar Kurani

Partner

Membership No: 118580

Place :Kolkata

For **S K Patodia & Associates LLP**

Chartered Accountants

ICAI Firm Registration No:112723W/W100962

Sd/-

Ankush Goyal

Partner

Membership No:146017

Place: Valapad

Date: 24th May, 2024

For and on behalf of the Board of Directors

Sd/-

V. P. Nandakumar

Managing Director & CEO

DIN: 00044512

Sd/-

V. R. Ramachandran

Non Executive Director

DIN:00046848

Sd/-

Bindu A. L

Chief Financial Officer

Place: Valapad

Date: 24th May, 2024

Sd/-

Manoj Kumar V. R

Company Secretary

Standalone Cash flow statement

for the Year ended 31st March, 2024

(All amounts are in millions, unless otherwise stated)

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
A. Cash flow from operating activities		
Net profit before tax	22,216.26	17,063.28
Adjustments for:		
Interest income on loans	(56,290.23)	(46,640.97)
Depreciation and amortization expense	1,878.33	1,626.14
Impairment on financial instruments	360.96	371.81
Finance costs	18,281.18	14,984.12
Provision for litigation	16.45	23.99
Provision for other assets	(21.98)	(81.94)
Profit on sale of property, plant and equipment	(5.85)	(8.08)
Stock compensation expense	-	0.28
Interest income from banks, investments and others	(915.40)	(901.00)
Dividend Received	(150.00)	(80.38)
Operational cash flows from interest		
Interest received on loans	49,714.50	45,775.97
Finance costs	(18,055.73)	(15,543.20)
Operating Profit before working capital changes	17,028.49	16,590.02
Changes in working capital and loans:		
Decrease / (increase) in non-financial assets	137.07	(251.71)
Decrease / (increase) in loans	(39,585.55)	(17,894.09)
Decrease / (increase) in other financial assets	(747.57)	(30.12)
Increase / (decrease) in trade payables	104.51	(123.82)
Increase / (decrease) in other financial liabilities	267.60	1,741.18
Increase / (decrease) in provisions	(124.92)	411.68
Increase / (decrease) in other non-financial liabilities	535.30	420.40
	(39,413.56)	(15,726.48)
Cash generated from operations	(22,385.07)	863.54
Net income tax (paid)	(6,244.06)	(4,003.66)
Net cash flows from/(used in) operating activities (A)	(28,629.13)	(3,140.12)
B. Cash flow from investing activities		
Capital expenditure, including capital advances	(952.83)	(1,120.49)
Proceeds from sale of property, plant and equipment	7.12	10.74
(Purchase) / Sale of investments	(3,113.37)	(2,387.47)
Interest received	847.16	887.06
Dividend Received	150.00	80.38
Bank balances not considered as cash and cash equivalents	(5.64)	(112.02)
Net cash flows from/(used in) investing activities (B)	(3,067.56)	(2,641.80)
C. Cash flow from financing activities		
Debt securities issued (net)	(5,268.27)	(28,424.76)
Borrowings (other than debt securities) issued (net)	37,720.90	41,196.96
Subordinated liabilities issued (net)	-	(6.00)
Proceeds from issue of equity shares	0.08	-
Share premium on equity shares allotted	4.85	-
Share application money received/(refunded)	-	(0.02)



Standalone Cash flow statement

for the Year ended 31st March, 2024

(All amounts are in millions, unless otherwise stated)

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Dividend paid, including dividend distribution tax	(2,793.18)	(2,539.18)
Payment of lease liabilities	(1,400.84)	(1,346.68)
Net cash flow from / (used in) financing activities (C)	28,263.54	8,880.32
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(3,433.14)	3,098.40
Cash and cash equivalents at the beginning of the year	18,727.00	15,628.60
Cash and cash equivalents at the end of the year	15,293.86	18,727.00

Note: For disclosures relating to changes in liabilities arising from financing activities, refer note 40.

As per our Report of even date

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No:105047W

Sd/-

Tushar Kurani

Partner

Membership No: 118580

Place :Kolkata

For **S K Patodia & Associates LLP**

Chartered Accountants
ICAI Firm Registration No:112723W/W100962

Sd/-

Ankush Goyal

Partner

Membership No:146017

Place: Valapad

Date: 24th May, 2024**For and on behalf of the Board of Directors**

Sd/-

V. P. Nandakumar

Managing Director & CEO

DIN: 00044512

Sd/-

Bindu A. L

Chief Financial Officer

Place: Valapad

Date: 24th May, 2024

Sd/-

V. R. Ramachandran

Non Executive Director

DIN:00046848

Sd/-

Manoj Kumar V. R

Company Secretary

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

1 Corporate Information

Manappuram Finance Limited ('MAFIL' or 'the Company') is a public limited company domiciled in India and incorporated on 15 July 1992 in Thrissur, Kerala. Its shares are listed on BSE Limited and NSE Limited. The Company is a Non-Banking Finance Company ('NBFC'), which provides a wide range of fund based and fee based services including gold loans, money exchange facilities, etc. The Company is a NBFCs-Middle Layer (NBFCs-ML). The Company is registered with the Reserve Bank of India (RBI).

The registration details are as follows: **Reserve Bank of India Registration no : B-16.00029 Corporate Identity Number (CIN): L65910KL1992PLC006623**

The Company is the ultimate parent company of the Manappuram Home Finance Limited, Asirvad Micro Finance Limited, Manappuram Insurance Brokers Limited and Manappuram Comptech and Consultants Limited.

The company's registered office is at W-4/638A, Manappuram house Valapad P.O, Thrissur - 680567, Kerala. The principal place of business is Thrissur Kerala.

2 Basis of preparation

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ("the Act") (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after read with relevant rules issued thereunder and other accounting principles generally accepted in India mainly considering the Master Directions issued by the Reserve Bank of India ('RBI') as applicable to Non-Banking Finance Companies – ND.

The financial statements are presented in Indian Rupees (INR) which is also the functional currency of the company and all values are rounded to the nearest millions, except when otherwise indicated.

3 Presentation of financial statement

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). 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:

- i. The normal course of business
- ii. The event of default
- iii. The event of insolvency or bankruptcy of the Company and/or its counterparties. The financial statements are presented in INR, which is also the Company's functional currency and all values are rounded to the nearest million, except when otherwise indicated.

4 Statement of compliance

These separate financial statements of the Company have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 and the generally accepted accounting principles as referred to in paragraph 2 "Basis of Preparation" above.

5 Material accounting policies (Also refer note 2 above)

5.1 Investments in subsidiary

Interest in subsidiary, associates and joint venture are recognised at cost and not adjusted to fair value at the end of each reporting period. Cost represents amount paid for acquisition of the said investments (net of impairment)."

5.2 Financial instruments

(i) Classification of financial instruments

The Company classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost
2. Financial assets to be measured at fair value through other comprehensive income
3. Financial assets to be measured at fair value through profit or loss account

The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets. The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The business model is assessed on the basis of aggregated portfolios based on observable factors. These factors include:



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024

(All amounts are in millions, unless otherwise stated)

- Reports reviewed by the entity's key management personnel on the performance of the financial assets
- The risks impacting the performance of the business model (and the financial assets held within that business model) and its management thereof
- The compensation of the managing teams (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of trades. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account.

The Company also assesses the contractual terms of financial assets on the basis of its contractual cash flow characteristics that are solely for the payments of principal and interest on the principal amount outstanding. 'Principal' is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Company classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the profit and loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

(ii) Financial assets measured at amortised cost

These Financial assets comprise bank balances, Loans, investments in debt securities and other financial assets.

Financial Assets with contractual terms that give rise to cash flows on specified dates, and represent solely payments of principal and interest on the principal amount outstanding; and are held within a business model whose objective is achieved by holding to collect contractual cash flows are measured at amortised cost. These financial assets are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or a financial liability.

Equity instruments

Investment in equity instruments are generally accounted for as at fair value through the profit and loss account unless an irrevocable election has been made by management to account for at fair value through other comprehensive income. Such classification is determined on an instrument-by-instrument basis.

(iii) Items at fair value through profit or loss

Items at fair value through profit or loss comprise:

- Investments (including equity shares) held for trading;
- Items specifically designated as fair value through profit or loss on initial recognition; and
- debt instruments with contractual terms that do not represent solely payments of principal and interest.

Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the statement of profit and loss as they arise.

Financial instruments held for trading
A financial instrument is classified as held for trading if it is acquired or incurred principally for selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking, or it is a derivative not designated in a qualifying hedge relationship. Trading derivatives and trading securities are classified as held for trading and recognised at fair value.

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024

(All amounts are in millions, unless otherwise stated)

(iv) Derivatives

The Company enters into derivative transactions with various counterparties like interest rate and currency swaps and forwards. The Company undertakes derivative transactions to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts are generally banks.

a) Financial Assets or Liabilities at Fair Value through Profit and Loss

This category includes derivative financial assets/ liabilities which are not designated as hedges.

Although the Company believes that these derivative instruments constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivatives that is either not designated as a hedge, or is designated but is ineffective as per Ind AS 109, is categorised as a financial asset or liability, at fair value through profit and loss.

Derivatives not designated as hedges are recognised initially at fair value and attributable transaction costs are recognised in net profit in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit and loss and the resulting exchange gain or loss are included in the other income/ expenses.

b) Cash flow Hedge:

The Company designates certain foreign exchange forwards and swaps contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on certain balance sheet liabilities. When a derivative is designated as a cash flow hedge instrument, the effective portion of changes in the fair value of derivative instruments is recognised in other comprehensive income and accumulated in the cash flow hedge reserve. Any ineffective portion of changes in the fair value of the derivatives is recognised immediately in the net profit in the Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the

hedging instrument recognised in the cash flow hedge reserve till the period the hedge was effective remains in cash flow hedge reserve till the period the transaction occurs. The cumulative gain or loss previously recognised in the cash flow hedge reserve is transferred to the net profit in the Statement of Profit and Loss upon the occurrence of the related transaction."

(v) Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and transaction costs that are an integral part of the Effective Interest Rate (EIR).

(vi) Recognition and derecognition of financial assets and liabilities

A financial asset or financial liability is recognised in the balance sheet when the Company becomes a party to the contractual provisions of the instrument, which is generally on trade date. Loans and receivables are recognised when cash is advanced (or settled) to the borrowers. Financial assets at fair value through profit or loss are recognised initially at fair value. All other financial assets are recognised initially at fair value plus directly attributable transaction costs.

The Company derecognises a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability. A financial liability is derecognised from the balance sheet when the Company has discharged its obligation or the contract is cancelled or expires.

(vii) Impairment of financial assets

The Company recognises impairment allowance for expected credit loss on financial assets held at amortised cost.

The Company recognises loss allowances (provisions) for expected credit losses on its financial assets (including undisbursed sanctioned amounts) that are measured at amortised costs or at fair value through other comprehensive income account. The Company applies a three-stage approach to



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024

(All amounts are in millions, unless otherwise stated)

measuring expected credit losses (ECLs) for the following categories of financial assets that are not measured at fair value through profit or loss:

- debt instruments measured at amortised cost and fair value through other comprehensive income;
- loan commitments. No ECL is recognised on equity investments.

Financial assets migrate through the following three stages based on the change in credit risk since initial recognition:

Stage 1: 12-months ECL

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised.

Stage 2: Lifetime ECL – not credit impaired

For exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired, a lifetime ECL (i.e. reflecting the remaining lifetime of the financial asset) is recognised.

Stage 3: Lifetime ECL – credit impaired

Exposures are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

Determining the stage for impairment

At each reporting date, the Company assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Company considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and also, forward-looking analysis. An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent

period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowances reverts from lifetime ECL to 12-months ECL.

The loss allowances for these financial assets is based on a 12-months ECL.

When an asset is uncollectible, it is written off against the related allowance. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off reduce the amount of the allowances in the profit and loss statement.

The Company assesses whether the credit risk on an exposure has increased significantly on an individual or collective basis. For the purposes of a collective evaluation of impairment, financial instruments are grouped on the basis of shared credit risk characteristics, taking into account instrument type, credit risk ratings, date of initial recognition, remaining term to maturity, industry, geographical location of the borrower and other relevant factors.

Measurement of ECLs

ECLs are derived from unbiased and probability-weighted estimates of expected loss, and are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls over the expected life of the financial asset discounted by the effective interest rate. The cash shortfall is the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive. The Company has grouped its various financial assets in to pools containing loans bearing homogeneous risks characteristics. The probability of default for the pools are computed based on the historical trends, adjusted for any forward looking factors. Similarly the Company computes the Loss Given Default based on the recovery rates.
- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024

(All amounts are in millions, unless otherwise stated)

- cash flows discounted by the effective interest rate.
- Undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Company if the commitment is drawn down and the cash flows that the Company expects to receive.
- Financial guarantee contracts: as the expected payments to reimburse the holder less any amounts that the Company expects to recover.

ECL on Debt instruments measured at fair value through OCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets. As at the reporting date the Company does not have any debt instruments measured at fair value through OCI.

Collateral Valuation

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as movable and immovable assets, guarantees, etc. However, the fair value of collateral affects the calculation of ECLs. To the extent possible, the Company uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as vehicles, is valued based on data provided by third parties or management judgements.

Collateral repossessed

In its normal course of business whenever default occurs, the Company may take possession of properties or other assets in its retail portfolio

and generally disposes such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet.

(viii) Write-offs

The Company reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

(ix) Determination of fair value

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. The Financial assets and liabilities are presented in ascending order of their liquidity. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024

(All amounts are in millions, unless otherwise stated)

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

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.

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."

5.3 Revenue from operations

(i) Interest Income

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets measured through amortised cost method. The EIR in case of a financial asset is computed a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial

asset to the gross carrying amount of a financial asset.
b. By considering all the contractual terms of the financial instrument in estimating the cash flows
c. Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts. Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

(ii) Dividend Income

Dividend income is recognised

- a. When the right to receive the payment is established,
- b. it is probable that the economic benefits associated with the dividend will flow to the entity and
- c. the amount of the dividend can be measured reliably.

(iii) Fees & Commission Income

Fees and commissions other than those which forms part of EIR are recognised when the Company satisfies the performance obligation, at fair value of the consideration received or receivable based on a five-step model as set out below:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024

(All amounts are in millions, unless otherwise stated)

obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation. Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

Processing fee which is not form part of effective interest rate has been recognised as and when it is accrue.

(iv) Net gain on Fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain / loss on fair value changes. As at the reporting date the Company does not have any financial instruments measured at FVTPL and debt instruments measured at FVOCI.

However, net gain / loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the Statement of Profit and Loss."

5.4 Expenses

(i) Finance costs

Finance costs represents Interest expense recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL.

The EIR in case of a financial liability is computed

- a As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.

- b. By considering all the contractual terms of the financial instrument in estimating the cash flows
- c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts. Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets. Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, Rating Fee etc., provided these are incremental costs that are directly related to the issue of a financial liability."

(ii) Retirement and other employee benefits

Short term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ex-gratia are recognised in the period in which the employee renders the related service.

Post-employment employee benefits

a) Defined contribution schemes

All the employees of the Company are entitled to receive benefits under the Provident Fund and Employees State Insurance scheme, defined contribution plans in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future benefits other than its annual contribution and recognises such contributions as an expense in the period in which employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024

(All amounts are in millions, unless otherwise stated)

is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund."

b) Defined Benefit schemes

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date. Net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, attrition rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

The Company fully contributes all ascertained liabilities to LIC without routing it through Trust bank account. Trustees administer contributions made to the trust and contributions are invested in a scheme of insurance with the IRDA approved Insurance Company"

Re-measurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

Other long-term employee benefits

Company's liabilities towards compensated absences to employees are accrued on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss. The Company presents the Provision for compensated absences under provisions in the Balance Sheet."

The Company has formulated Employee Stock Option Schemes (ESOS) in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The Scheme provide for grant of options to employees of the Company and its subsidiaries to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. The grant date fair value of equity settled share based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised in employee benefits expenses/investment in subsidiary together with a corresponding increase in employee stock option outstanding account in other equity is based on the estimate of the number of awards for which the related service and non-market vesting conditions

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024

(All amounts are in millions, unless otherwise stated)

are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

(iii) Other income and expenses

All Other income and expense are recognized in the period they occur.

(iv) Impairment of non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(v) Taxes

Current Tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities are realised simultaneously."

Minimum Alternate Tax (MAT)

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that it is probable that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the MAT Credit Entitlement asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Goods and services tax /value added taxes paid on acquisition of assets or on incurring expenses



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

- i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- ii. When receivables and payables are stated with the amount of tax included. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

5.5 Foreign currency translation

(i) Functional and presentational currency

The standalone financial statements are presented in Indian Rupees which is also functional currency of the Company and the currency of the primary economic environment in which the Company operates.

(ii) Transactions and balances

Initial recognition:

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Conversion:

Monetary assets and liabilities denominated in foreign currency, which are outstanding as at the reporting date, are translated at the reporting date at the closing exchange rate and the resultant exchange differences are recognised in the Statement of Profit and Loss. Non-monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition."

5.6 Cash and cash equivalents

"Cash and cash equivalents comprise the net amount of short-term, highly liquid investments that are readily convertible to known amounts of cash (short-term deposits with an original maturity of three months or less) and are subject to an insignificant risk of change in value, cheques on hand and balances with banks. They are held for the purposes of meeting short-term cash commitments (rather than for investment or other purposes).

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above."

5.7 Property, Plant and equipment (PPE)

"Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, (if any). The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred."

Depreciation is calculated using the Straight Line Method (SLM) to write down the cost of property and equipment to their residual values over their estimated useful lives. Land is not depreciated.

The estimated useful lives are, as follows:

Particulars	Useful life estimated by Company Computer
Computer	
- End User equipment	3 years
- Server*	3 years
Furniture & Fixtures	
- Safe and strong rooms	10 years
- Others*	3 - 5 years
Office Equipment	3 years
Electrical Fittings	3 years
Buildings	30 years
Vehicles	8 years
Plant & Equipment	15 years
Lease Hold Improvements	Rent Agreement Period

*The Company has estimated useful life which is different for Schedule II useful life's based on management estimate.

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.”

The Company has recognised leasehold Improvement as a new asset during the year 2022-23, due to which other assets related to branches were reclassified into Leasehold Improvements.

5.8 Intangible assets

“An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the statement of profit and loss. Amortisation on assets acquired/sold during the year is recognised on a

pro-rata basis to the Statement of Profit and Loss from / upto the date of acquisition/sale.

Amortisation is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives. Intangible assets comprising of software are amortised on a straight-line basis over a period of 6 years, unless it has a shorter useful life.

The Company’s intangible assets consist of computer software with definite life.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.”

5.9 Provisions

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.”

5.10 Contingent Assets and Liabilities

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the entity. The Company does not recognize or disclose contingent asset in the financial statements.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably.



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

The Company does not recognize a contingent liability but discloses its existence in the financial statements.”

5.11 Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. 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.”

5.12 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM).

The Board of Directors (BOD) of the Company assesses the financial performance and position of the Company, and makes strategic decisions. The BOD, which has been identified as being the chief operating decision maker. The Company is engaged in the business of i) Lending finance and ii) Fees & commission income. The said business are aggregated for the purpose of review of performance by CODM. Accordingly, the Company has concluded that the business of lending finance and fees & commission income to be the only reportable segment.

5.13 Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking

into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

The Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. 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 in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

6 Significant accounting judgements, estimates and assumptions

"The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying

accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

6.1 Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

6.2 Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Company's policy to regularly review its ECL model in the context of actual loss experience and adjust when necessary.

The impairment loss on loans and advances is disclosed in more detail in Note 5.2(vii) Overview of ECL principles.

7 Euro Medium Term Notes

Subsequent to the year end, the company raised ₹ 2,506.05 crores in debt through the issuance of Euro Medium Term Notes (EMTNs).



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 8: Cash and cash equivalents

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Cash on hand	1,155.38	983.88
Balances with banks - in current and OD accounts	4,312.52	8,495.53
Foreign currency balances	0.64	1.80
Bank deposit with maturity of less than 3 months	9,825.32	9,245.79
Total	15,293.86	18,727.00

Short-term bank deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

Note 9: Bank balance other than above

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Deposits with original maturity for more than 3 months.*	1,860.47	1,611.18
On escrow accounts		
Unpaid NCD trustee account	16.03	10.40
Unpaid auction surplus deposit	171.37	421.69
Unpaid dividend account	25.77	24.75
Total	2,073.64	2,068.02

* Includes:

Cash collateral deposits aggregating to ₹ 1,688.59 Mn (31 March 2023: ₹ 1,512.10 Mn) towards bank facilities. The cash collateral deposits provided as an additional security to the banks for extending approved bank facilities.

Note 10: Loans valued at amortised cost

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
	Amortised Cost	Total	Amortised Cost	Total
LOANS				
(A)				
i) Gold loan	2,17,666.63	2,17,666.63	1,95,229.96	1,95,229.96
ii) Commercial Vehicle loan (CVD)	39,145.16	39,145.16	22,456.81	22,456.81
iii) Mortgage/Property loan	245.70	245.70	276.79	276.79
iv) Onlending	9,885.53	9,885.53	10,048.22	10,048.22
v) Corporate Finance	4.10	4.10	4.13	4.13
vi) Other loan	26,559.83	26,559.83	19,329.78	19,329.78
Total (A) - Gross	2,93,506.95	2,93,506.95	2,47,345.68	2,47,345.68
Less: Impairment loss allowance	2,122.37	2,122.37	1,761.66	1,761.66
-Provision for non performing assets	670.78	670.78	432.68	432.68
-Provision for standard assets	1,451.59	1,451.59	1,328.98	1,328.98
Total (A) - Net	2,91,384.58	2,91,384.58	2,45,584.02	2,45,584.02
(B)				
i) Secured by tangible assets	2,86,031.52	2,86,031.52	2,44,997.70	2,44,997.70
ii) Unsecured	7,475.43	7,475.43	2,347.98	2,347.98
Total (B) - Gross	2,93,506.95	2,93,506.95	2,47,345.68	2,47,345.68
Less: Impairment loss allowance	2,122.37	2,122.37	1,761.66	1,761.66
Total (B) - Net	2,91,384.58	2,91,384.58	2,45,584.02	2,45,584.02

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
	Amortised Cost	Total	Amortised Cost	Total
Loans in India			-	-
i) Public Sector	-	-	-	-
ii) Others	2,93,506.95	2,93,506.95	2,47,345.68	2,47,345.68
Total (C) - Gross	2,93,506.95	2,93,506.95	2,47,345.68	2,47,345.68
Less: Impairment loss allowance	2,122.37	2,122.37	1,761.66	1,761.66
Total (C) - Net	2,91,384.58	2,91,384.58	2,45,584.02	2,45,584.02

Summary of ECL provisions

Particulars	As at 31 st March, 2024				As at 31 st March, 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
i) Gold loan	811.50	0.93	168.70	981.13	890.71	19.36	131.54	1,041.61
ii) Commercial Vehicle loan (CVD)	325.07	37.15	171.94	534.16	188.02	33.94	105.35	327.31
iii) Mortgage/Property loan	3.47	0.06	6.26	9.79	11.85	0.72	17.67	30.25
iv) Onlending	28.15	-	41.26	69.41	57.20	-	42.65	99.85
v) Corporate Finance	-	-	4.10	4.10	-	-	4.13	4.13
vi) Others	204.91	39.76	278.52	523.19	114.82	12.35	131.34	258.51
viii) Co Lending	0.59			0.59				
Total closing ECL provision	1,373.69	77.90	670.78	2,122.37	1,262.60	66.38	432.68	1,761.66

Loans or advances in the nature of loans are granted to promoters, directors, KMPs and other related parties.

Particulars	As at 31 st March, 2024	% of total loans and advances in the nature of loans	As at 31 st March, 2023	% of total loans and advances in the nature of loans
Promoter	Nil	Nil	Nil	Nil
Directors	Nil	Nil	Nil	Nil
KMPs	Nil	Nil	Nil	Nil
Related parties	Nil	Nil	1300	0.53%

During the year the subsidiary companies Asirvad Micro Finance Limited & Manappuram Home Finance Limited have repaid the outstanding ₹ 2500Mn (1200 Mn @ Int.Rate 9.75% & 1300 Mn @ Int.Rate 9.25%) & 500 Mn (Int. Rate.9.4 %) respectively



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 11: Investments

Particulars	Amortised Cost	At Fair value Through profit or loss	Others	Total
As at 31st March, 2024				
i) Investment in Government Securities (Quoted)				
1500000, Units of face value ₹ 100/- each in 5.22% GOI 2025	1,553.37			1,553.37
1500000, Units of face value ₹ 100/- each in 5.15% GOI 2025	1,517.12			1,517.12
ii) Debt Instruments (unquoted)				
Investment in Pass through certificates (PTC's)	-	-	-	-
iii) Equity instruments in others (Quoted)				
1000, Equity shares of ₹ 10/- each fully paid in CSB Bank Limited (formerly The Catholic Syrian Bank Limited)	-	0.36	-	0.36
iv) Investment in subsidiaries (Unquoted)				
a) Wholly owned subsidiary				
19,99,99,994 Equity shares of ₹ 10/- each fully paid in the Manappuram Home Finance Limited (formerly Manappuram Home Finance Private Limited)	-	-	2,072.90	2,072.90
15,69,994, Equity shares of ₹ 10/- each fully paid in the Manappuram Insurance Brokers Limited (formerly Manappuram Insurance Brokers Private Limited)	-	-	26.11	26.11
b) Other subsidiary				
19,54,85,619 Equity shares of ₹ 10/- each fully paid in the Asirvad Micro Finance Limited (formerly Asirvad Micro Finance Private Limited)	-	-	10,777.57	10,777.57
5,25,994, Equity shares of ₹ 10/- each fully paid in the Manappuram Comptech and Consultants Limited	-	-	59.50	59.50
Subordinated Debt in Asirvad Micro Finance Limited	1,648.41			1,648.41
Advance for investment in subsidiary	-	-	0.37	0.37
Add: ESOP adjustments	-	-	0.00	0.00
Total Gross (A)	4,718.90	0.36	12,936.45	17,655.71
i) Investments outside India	-	-	-	-
ii) Investments in India	4,718.90	0.36	12,936.45	17,655.71
Total Gross (B)	4,718.90	0.36	12,936.45	17,655.71
Less : Allowance for impairment loss (C)	-	-	-	-
Total - Net (D) = (A) -(C)	4,718.90	0.36	12,936.45	17,655.71

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Particulars	Amortised Cost	At Fair value Through profit or loss	Others	Total
As at 31st March, 2023				
i) Investment in Government Securities (Quoted)				
1500000, Units of face value ₹ 100/- each in 5.22% GOI 2025	1,533.62			1,533.62
1500000, Units of face value ₹ 100/- each in 5.15% GOI 2025	1,536.44			1,536.44
ii) Debt Instruments (unquoted)				
Investment in Pass through certificates (PTC's)	-	-	-	-
iii) Equity instruments in others (Unquoted)				
1000, Equity shares of ₹ 10/- each fully paid in CSB Bank Limited (formerly The Catholic Syrian Bank Limited)	-	0.25	-	0.25
iv) Equity instruments in subsidiaries (Unquoted)				
a) Wholly owned subsidiary				
19,99,99,994, Equity shares of ₹ 10/- each fully paid in the Manappuram Home Finance Limited (formerly Manappuram Home Finance Private Limited)	-	-	2,072.90	2,072.90
15,69,994, Equity shares of ₹ 10/- each fully paid in the Manappuram Insurance Brokers Limited (formerly Manappuram Insurance Brokers Private Limited)	-	-	26.11	26.11
b) Other subsidiary				
6,11,38,729 Equity shares of ₹ 10/- each fully paid in the Asirvad Micro Finance Limited (formerly Asirvad Micro Finance Private Limited)	-	-	9,313.15	9,313.15
5,25,994, Equity shares of ₹ 10/- each fully paid in the Manappuram Comptech and Consultants Limited	-	-	59.50	59.50
Advance for investment in subsidiary	-	-	0.37	0.37
Add: ESOP adjustments	-	-	0.00	0.00
Total Gross (A)	3,070.06	0.25	11,472.03	14,542.34
i) Investments outside India	-	-	-	-
ii) Investments in India	3,070.06	0.25	11,472.03	14,542.34
Total Gross (B)	3,070.06	0.25	11,472.03	14,542.34
Less : Allowance for impairment loss (C)	-	-	-	-
Total - Net (D) = (A) -(C)	3,070.06	0.25	11,472.03	14,542.34

1. Investment designated at FVTPL is a portfolio of equity instruments. Equity instruments have been classified at Fair value through profit and loss since cash flows from equity instruments does not represent solely payment of principal and interest.

2. Investment in subsidiaries is measured at cost under Ind AS 27.



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 11: Investments (Contd....)

Debt instruments measured at amortised cost

Credit Quality of Assets

Internal Grade Rating	31 st March, 2024				31 st March, 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing								
High Grade	-	-	-	-	-	-	-	-
Standard Grade	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to other Investments is, as follows

Particulars	2023-24				2022-23			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross Carrying amount – opening balance	-	-	-	-	66.29	-	-	66.29
New assets purchased	-	-	-	-	-	-	-	-
Assets derecognised or matured	-	-	-	-	(66.29)	-	-	(66.29)
Interest accrued on investment	-	-	-	-	0.00	-	-	0.00
Closing balance	-	-	-	-	-	-	-	-

Particulars	2023-24				2022-23			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening Balance of ECL	-	-	-	-	0.19	-	-	0.19
ECL on new assets purchased	-	-	-	-	-	-	-	-
ECL on derecognised or matured assets / others	-	-	-	-	(0.19)	-	-	(0.19)
Closing balance in ECL	-	-	-	-	-0.00	-	-	-0.00

Note 12: Other financial assets

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Security deposits*	1,004.91	947.43
EIS Receivable on Direct Assignments**	706.09	252.81
Commission receivable	3.21	2.21
Funds-in-transit	814.83	607.52
Gold investment	41.21	64.24
Others***	340.59	220.83
Total	2,910.84	2,095.04

*Employee security deposits aggregating to ₹476.27Mn (31 March 2023: ₹440.03Mn). Deposits aggregating to ₹36.20Mn (31 March 2023: ₹35.58Mn) towards security deposit to various authorities.

**Under Ind AS, with respect to assignment deals, the Company has created an Excess Interest Spread (EIS) receivable, with the corresponding credit to the statement of Profit and Loss for the year, which has been computed by discounting EIS to the present value on each balance sheet date.

***Auction receivable ₹43.31Mn (31 March 2023: 32.69Mn).

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 13: Current tax assets (net)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Advance tax and tax deducted at source (net of provisions)	524.94	8.44
Total	524.94	8.44

Note 14: Property, plant and equipment

Particulars	Land- Freehold	Buildings*	Office equipment	Electrical Installation	Computer Equipment	Furniture and Fixtures	**Leasehold Improvement	Vehicles	Plant and Equipment	Total
Cost:										
As at 1 April 2022	456.23	1,396.25	133.21	147.75	727.80	2,236.65	560.82	46.34	40.94	5,745.98
Additions	46.34	59.21	52.71	9.40	556.13	244.58	40.58	3.39	1.43	1,013.76
Disposals	-	0.14	9.35	14.59	126.37	28.40	0.73	-	0.76	180.35
As at 31 March 2023	502.56	1,455.32	176.57	142.56	1,157.56	2,452.83	600.67	49.73	41.61	6,579.39
Additions	35.39	8.66	95.12	13.66	308.98	257.94	108.14	5.56	-	833.45
Disposals	-	-	3.15	0.90	83.91	5.01	1.87	3.93	1.95	100.71
As at 31 March 2024	537.95	1,463.98	268.54	155.32	1,382.63	2,705.76	706.94	51.36	39.66	7,312.13
Accumulated Depreciation:										
As at 1 April 2022	-	195.57	95.55	135.77	493.63	1,101.41	524.50	22.71	17.86	2,587.01
Disposals	-	0.04	9.28	14.39	126.06	26.86	0.72	-	0.41	177.76
Depreciation charge for the year	-	49.53	27.31	7.67	176.70	303.54	16.68	7.27	3.85	592.55
As at 31 March 2023	-	245.06	113.58	129.05	544.27	1,378.09	540.46	29.98	21.30	3,001.80
Disposals	-	-	2.84	0.90	83.60	5.01	1.87	3.93	1.41	99.55
Depreciation charge for the year	-	50.40	47.31	8.98	333.90	325.77	35.35	7.02	3.88	812.60
As at 31 March 2024	-	295.46	158.05	137.13	794.57	1,698.85	573.94	33.07	23.77	3,714.85
Carrying Amount										
As at 31 March 2023	502.56	1,210.26	62.99	13.51	613.29	1,074.73	60.21	19.75	20.31	3,577.63
As at 31 March 2024	537.95	1,168.52	110.49	18.19	588.06	1,006.90	133.00	18.29	15.89	3,597.31

No revaluation of any class of asset is carried out during the year.

Title deeds of immovable properties are held in the name of the Company.

*Details of building pledged against borrowings is presented in Note 20.

** The Company has recognised leasehold Improvement as a new asset during the year 2022-23, due to which other assets related to branches were re-classified into Leasehold Improvements.



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 15: Other intangible assets

Particulars	Computer Software
Cost:	
As at 1 April 2022	386.16
Additions	13.81
Disposals	0.83
As at 31 March 2023	399.14
Additions	29.29
Disposals	1.87
As at 31 March 2024	426.56
Accumulated amortisation:	
As at 1 April 2022	
Disposals	198.36
Amortisation charge for the year	0.75
As at 31 March 2023	63.05
As at 31st March, 2023	260.66
Disposals	1.77
Amortisation charge for the year	60.41
As at 31 March 2024	319.30
Carrying Amount:	
As at 31 March 2023	138.49
As at 31 March 2024	107.27

No revaluation of any class of asset is carried out during the year.

Note 16: Other non-financial assets

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Capital advances	30.10	113.38
Prepaid Expenses	167.56	258.46
Others	269.09	315.26
Ancillary cost of arranging the borrowings	-	-
Total	466.75	687.10

Note 17: Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forward and cross currency interest rate swaps to mitigate the risk of changes in exchange rates on foreign currency exposures. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

The below table shows the details of the derivative instruments held by the Company:

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
A) Derivatives designated as Cash flow Hedges:		
Forward Contracts	8.33	(32.85)
Cross Currency interest rate Swaps	(118.55)	-
Sub total (A)	(110.22)	(32.85)
B) Other Derivatives		
Cross Currency interest rate Swaps	-	-
Sub total (B)	-	-
Total derivative financial instruments (A) + (B)	(110.22)	(32.85)

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 17.1 Hedging activities and derivatives

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk.

The Company's risk management strategy and how it is applied to manage risk are explained in Note 45.

Note 17.2 Derivatives designated as hedging instruments

The company is exposed to foreign currency risk arising from its fixed rate foreign currency External Commercial Borrowing amounting to USD 100 million. Interest on the borrowing is payable at 7-8% p.a. and the principal amount is repayable on various due dates. The Company economically hedged the foreign currency risk arising from the loan with Cross Currency Interest Rate swaps of equivalent amount. The Cross Currency Interest Rate Swaps converts the cash outflows of the foreign currency fixed rate borrowing of USD 100 million to cash outflows in Indian Rupees with a notional amount of ₹ 831.70 Million

The company is exposed to foreign currency risk arising from its fixed rate foreign currency borrowing amounting to USD 43.85 million. Interest on the borrowing is payable at 8.85 % p.a. and the principal amount is repayable in August 2024. The Company economically hedged the foreign currency risk arising from the loan with Cross Currency Interest Rate swaps of equivalent amount. The Cross Currency Interest Rate Forward converts the cash outflows of the foreign currency fixed rate borrowing of USD 43.85 million to cash outflows in Indian Rupees with a notional amount of ₹3,636 Million

There is an economic relationship between the hedged item and the hedging instrument as the terms of the forward currency contract match that of the foreign currency borrowing (notional amount, principal repayment date etc.). The company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the forward currency contract are identical to the hedged risk components. For the purpose of calculating hedge effectiveness, the company uses a qualitative features to determine the hedge effectiveness.

The reconciliation of cash flow hedge reserve for the years ended March 31, 2024 and March 31, 2023 are as follows:

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Cash flow hedge reserve as at beginning of the year	(3.93)	(250.70)
Gain/ (loss) recognised in other comprehensive income during the year	(114.69)	329.81
Less: Tax impact on the above	28.88	(83.04)
Amount reclassified to Profit/ Loss account	-	-
Total derivative financial instruments (A) +(B)	(89.74)	(3.93)

Note 18: Trade payables

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
(i) total outstanding dues of micro enterprises and small enterprises	2.23	2.60
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,064.02	959.15
(a) total outstanding dues of creditors other than micro enterprises and small enterprises	808.37	744.52
(b) Other Payables	255.65	214.63
Total	1,066.25	961.75



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 18(i) Disclosures required under Section 22 of the Micro, Small & Medium Enterprises Development Act, 2006

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year.	2.23	2.60
The amount of interest paid by the buyer 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 each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
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	-	-
Total	2.23	2.60

Note 18(ii) Trade payable aging schedule (Disclosure under schedule III of Companies Act, 2013)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) MSME	-	-	-	-	-
ii) others	398.47	37.23	40.65	101.25	577.60
iii) Disputed dues- MSME	-	-	-	-	-
iv) Disputed dues- others	-	-	-	-	-
(v) Unbilled-MSME	2.23	-	-	-	2.23
(vi) Unbilled-Others	463.13	10.29	4.48	8.53	486.42
Total	863.83	47.52	45.13	109.78	1,066.25

Note 19: Debt securities

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
At amortised cost		
Commercial Papers (unsecured)	8,357.10	-
US Dollar Bonds (Secured)	-	-
Privately placed redeemable non-convertible debentures (Secured)	34,970.79	46,958.19
Others - Non-convertible Debentures - Public issue (Secured)	1,011.92	2,649.88
Total (A)	44,339.81	49,608.07
Debt securities in India	44,339.81	49,608.07
Debt securities outside India	-	-
Total (B)	44,339.81	49,608.07

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024

(All amounts are in millions, unless otherwise stated)

Note 19: Debt securities (Contd.....)

Details of redeemable non-convertible debentures

Sr. No.	Private Placement/ Public issue	Date of allotment	Date of redemption	Nominal value per debenture	Total number of debentures	Rate of interest p.a.	Face value	As at 31 st March 2024	As at 31 st March 2023	Secured/ Unsecured	Terms of redemption	Listed/ Unlisted
1	Public Issue	29 -Nov-18	29 -Nov-23	1,000	5,74,214	10.00%	574.21	-	574.21	Secured	On Maturity	Listed
2	Public Issue	29 -Nov-18	29 -Nov-23	1,000	2,99,989	10.40%	299.99	-	299.99	Secured	On Maturity	Listed
3	Public Issue	29 -Nov-18	29 -Nov-23	1,000	1,47,955	ZeroCoupon	147.96	-	147.96	Secured	On Maturity	Listed
4	Public Issue	6 -Mar-19	6 -Mar-24	1,000	2,85,001	9.75%	285.00	-	285.00	Secured	On Maturity	Listed
5	Public Issue	6 -Mar-19	6 -Mar-24	1,000	2,05,402	10.15%	205.40	-	205.40	Secured	On Maturity	Listed
6	Public Issue	6 -Mar-19	6 -Mar-24	1,000	89,932	Cumulative	89.93	-	89.93	Secured	On Maturity	Listed
7	Public Issue	29 -Nov-18	29 -Nov-25	1,000	3,97,723	ZeroCoupon	397.72	397.72	397.72	Secured	On Maturity	Listed
8	Public Issue	6 -Mar-19	5 -May-26	1,000	2,04,779	Cumulative	204.78	204.78	204.78	Secured	On Maturity	Listed
9	Public Issue	Various Dates	Various Dates	1,000	13,265	-	13.27	13.27	36.87	Secured	On Maturity	Unlisted
10	Private Placement	8 -May-20	8 -May-23	10,00,000	1,000	9.00%	1,000.00	-	1,000.00	Secured	On Maturity	Listed
11	Private Placement	1 -Jun-20	1 -Jun-23	10,00,000	5,000	9.10%	5,000.00	-	5,000.00	Secured	On Maturity	Listed
12	Private Placement	9 -Jul-20	9 -Jul-30	10,00,000	250	9.50%	250.00	250.00	250.00	Secured	On Maturity	Listed
13	Private Placement	14 -Aug-20	9 -Jul-30	10,00,000	250	9.50%	250.00	250.00	250.00	Secured	On Maturity	Listed
14	Private Placement	14 -Aug-20	9 -Jul-30	10,00,000	400	9.50%	400.00	400.00	400.00	Secured	On Maturity	Listed
15	Private Placement	14 -Aug-20	9 -Jul-30	10,00,000	350	9.50%	350.00	350.00	350.00	Secured	On Maturity	Listed
16	Private Placement	22 -Dec-20	22 -Dec-23	10,00,000	2,500	7.45%	2,500.00	-	2,500.00	Secured	On Maturity	Listed
17	Private Placement	22 -Dec-20	22 -Dec-23	10,00,000	1,500	7.45%	1,500.00	-	1,500.00	Secured	On Maturity	Listed
18	Private Placement	28 -Jan-21	28 -Jan-26	10,00,000	1,500	8.57%	1,500.00	1,500.00	1,500.00	Secured	On Maturity	Listed
19	Private Placement	28 -Jan-21	28 -Jan-27	10,00,000	1,500	8.57%	1,500.00	1,500.00	1,500.00	Secured	On Maturity	Listed
20	Private Placement	28 -Jan-21	28 -Jan-28	10,00,000	3,000	8.57%	3,000.00	3,000.00	3,000.00	Secured	On Maturity	Listed
21	Private Placement	30 -Dec-21	30 -Dec-24	10,00,000	2,500	6.95%	2,500.00	2,500.00	2,500.00	Secured	On Maturity	Listed
22	Private Placement	28 -Jan-22	28 -Feb-24	10,00,000	4,000	6.93%	4,000.00	-	4,000.00	Secured	On Maturity	Listed
23	Private Placement	28 -Jan-22	28 -Jan-24	10,00,000	4,000	6.93%	4,000.00	-	4,000.00	Secured	On Maturity	Listed
24	Private Placement	20 -Jul-22	20 -Oct-23	10,00,000	963	8.35%	962.5	-	962.50	Secured	On Maturity	Unlisted
25	Private Placement	20 -Jul-22	20 -Jan-24	10,00,000	963	8.35%	962.5	-	962.50	Secured	On Maturity	Unlisted
26	Private Placement	20 -Jul-22	20 -Apr-24	10,00,000	963	8.35%	962.5	962.5	962.50	Secured	On Maturity	Unlisted
27	Private Placement	20 -Jul-22	20 -Jul-24	10,00,000	963	8.35%	962.5	962.5	962.50	Secured	On Maturity	Unlisted
28	Private Placement	20 -Jul-22	20 -Oct-24	10,00,000	963	8.35%	962.5	962.5	962.50	Secured	On Maturity	Unlisted
29	Private Placement	20 -Jul-22	20 -Jan-25	10,00,000	963	8.35%	962.5	962.5	962.50	Secured	On Maturity	Unlisted
30	Private Placement	20 -Jul-22	20 -Apr-25	10,00,000	963	8.35%	962.5	962.5	962.50	Secured	On Maturity	Unlisted
31	Private Placement	20 -Jul-22	20 -Jul-25	10,00,000	963	8.35%	962.5	962.5	962.50	Secured	On Maturity	Unlisted
32	Private Placement	13 -Mar-23	13 -Mar-31	1,00,000	36,666	9.22%	3,666.6	3,666.6	3,666.63	Secured	On Maturity	Listed
33	Private Placement	13 -Mar-23	13 -Mar-32	1,00,000	36,666	9.22%	3,666.6	3,666.6	3,666.63	Secured	On Maturity	Listed



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024

(All amounts are in millions, unless otherwise stated)

Sr. No.	Private Placement/ Public issue	Date of allotment	Date of redemption	Nominal value per debenture	Total number of debentures	Rate of interest p.a.	Face value	As at 31 st March 2024	As at 31 st March 2023	Secured/ Unsecured	Terms of redemption	Listed/ Unlisted
34	Private Placement	13 -Mar-23	13 -Mar-33	1,00,000	36,667	9.22%	3,666.7	3,666.7	3,666.63	Secured	On Maturity	Listed
35	Private Placement	6 -Oct-23	29 -Sep-25	1,00,000	40,000	8.80%	4,000.0	4,000.0	-	Secured	On Maturity	Listed
36	Private Placement	6 -Oct-23	28 -Mar-25	1,00,000	20,000	8.65%	2,000.0	2,000.0	-	Secured	On Maturity	Listed
37	Private Placement	5 -Mar-24	5 -Mar-26	1,00,000	20,000	8.80%	2,000.0	2,000.0	-	Secured	On Maturity	Listed
38	Private Placement	28 -Mar-24	28 -Mar-34	1,00,000	2,500	8.60%	250.0	250.0	-	Secured	On Maturity	Listed
Total amount								35,390.77	48,691.75			
Effective Interest Rate Adjustment								(461.89)	(544.13)			
Interest Accrued but not due								1,053.83	1,460.45			
Net Amount								35,982.71	49,608.08			

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 20: Borrowings (other than debt securities)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
At amortised cost:		
Term Loan*		
Indian rupee loan from banks (secured)	88,016.79	67,312.53
Foreign currency term loan from banks (secured)	12,070.31	7,256.53
Indian rupee loan from other parties (secured)	3,512.36	3,122.15
Indian rupee loan from other parties (unsecured)	-	-
Finance lease obligations	-	-
Securitization Loan	462.96	
Loans repayable on demand		
Cash credit / overdraft facilities from banks (secured)	2,015.05	3,134.58
Working capital demand loan from banks (secured)	74,251.04	61,859.21
Other loans		
Vehicle loans (Secured)	-	-
Total	1,80,328.51	1,42,685.00
Borrowings in India**	1,80,328.51	1,42,685.00
Borrowings outside India	-	-
Total	1,80,328.51	1,42,685.00

*Term Loans were fully used for the purpose for which the same were obtained.

**Includes foreign currency loan borrowed from SBI Bank.

The Company has not defaulted in repayment of principal and interest during the quarter end as at the balance sheet date 31st March, 2024.

Term loan from bank:

Indian rupee loan from banks (secured): These are secured by an exclusive charge by way of hypothecation of book debts pertaining to loans granted against gold and margin/cash collateral as per the agreement. Further, the loan has been guaranteed by personal guarantee of Mr. V.P Nandakumar, Managing Director and CEO to the extent of Nil (31 March 2023: Nil)

Foreign currency Term Loan /ECB from Banks (secured):

- 1) Foreign currency loan: 1. ₹3636.30 million as at March 31, 2024 (March 31, 2023 ₹7,270 Million) which carries interest @ 6 month SOFAR plus 120 bps. The loan is repayable after 3 years from the date of its origination, viz., March 17,2022.
- 2) Foreign currency loan: 1. ₹4160.00 million(ECB) as at March 31, 2024 (March 31, 2023 ₹Nil) which carries interest @ 6 month SOFAR plus 225 bps. The loan is repayable after 3 years from the date of its origination, viz., October 25,2023.
- 3) Foreign currency loan: 1. ₹4157.00 million(ECB) as at March 31, 2024 (March 31, 2023 ₹Nil) which carries interest @ 6 month SOFAR plus 235 bps. The loan is repayable after 3 years from the date of its origination, viz., January 24,2024. The loans are secured against the first pari passu charge on current assets, book debts and receivables including gold loans & advances of the Company.

Term loan from other parties (secured):

Third party rupee term loan is secured where Interest payments are made quarterly at 6.75 % - 10.75% pa. The loans is secured against the first pari passu charge on current assets, book debts and receivables including gold loans & advances of the Company as per the agreement.

Term loan from other parties (unsecured):

Third party rupee term loan is unsecured where interest payments are made quarterly at Nil.



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Loans repayable on demand

Cash credit / Overdraft facilities from banks (secured):

These loans are secured against the first pari passu charge on current assets, book debts and receivables including gold loans & advances of the Company as per the agreement. Further, the loan has been guaranteed by personal guarantee of Mr. V.P Nandakumar, Managing Director and CEO to the extent of Nil(31 March 2023: ₹ Nil)

Working Capital demand loan from banks (secured):

These loans are secured against the first pari passu charge on current assets, book debts and receivables including gold loans & advances of the Company as per the agreement. Further, the loan has been guaranteed by personal guarantee of Mr. V.P Nandakumar, Managing Director and CEO to the extent of Nil (31 March 2023: ₹ Nil)

Other loans

Vehicle Loans: The loans are secured by hypothecation of the respective vehicles against which the loan has been availed- Nil

A) Indian rupee loan from banks (secured)

As at 31st March, 2024

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Above 2 year	6.50 - 9.75%	57,598.85
Due within 1-2 years	6.50 - 9.75%	25,317.20
Due within 1 year	6.50 - 9.75%	5,200.05
Total		88,116.10
Effective interest rate adjustment		(99.32)
Interest Accrued but not due		-
Net Amount		88,016.79

As at 31st March, 2023

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Above 2 year	6.50 - 9.75%	18,409.73
Due within 1-2 years	6.50 - 9.75%	25,594.50
Due within 1 year	6.50 - 9.75%	23,397.06
Total		67,401.29
Effective interest rate adjustment		(88.76)
Interest Accrued but not due		-
Net Amount		67,312.53

B) Indian rupee loan from others (Secured)

As at 31st March, 2024

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Above 2 year	6.75 -10.75%	3,097.50
Due within 1-2 years	6.75 -10.75%	416.66
Due within One year		
Total		3,514.16
Effective interest rate adjustment		(1.80)
Interest Accrued but not due		-
Net Amount		3,512.36

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

As at 31st March, 2023

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Above 2 year	6.75 -10.75%	
Due within 1-2 years	6.75 -10.75%	2,576.67
Due within One year	6.75 -10.75%	545.50
Total		3,122.18
Effective interest rate adjustment		(0.03)
Interest Accrued but not due		-
Net Amount		3,122.15

C) Indian rupee loan from others (Unsecured)

As at 31st March, 2024

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Due within one year	Nil	-
Interest Accrued but not due		-
Total		-

As at 31st March, 2023

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Due within one year	Nil	-
Interest Accrued but not due		-
Total		-

D) Vehicle loans (Secured loans)

Terms of repayment

Tenure (from the date of Balance Sheet)	As at 31 March 2024			As at 31 March 2023		
	Rate of Interest			Rate of Interest		
	< 10%	>= 10% < =12%	Total	< 10%	>= 10% < =12%	Total
	Amount	Amount	Amount	Amount	Amount	Amount
Due within 3-5 years	-	-	-	-	-	-
Due within 2-3 years	-	-	-	-	-	-
Due within 1-2 years	-	-	-	-	-	-
Due within 1 year	-	-	-	-	-	-
Grand Total	-	-	-	-	-	-

The loans are secured by hypothecation of the respective vehicles against which the loan has been availed.



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 21: Subordinated liabilities

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
At amortised cost:		
Subordinated debt from banks	-	-
Subordinated bonds from others(Unsecured)	-	-
Total	-	-
Subordinate liabilities in India	-	-
Total	-	-

Note 21: Subordinated liabilities

Subordinate bonds have a face value of ₹ 1,000/- each. Details of rate of interest and maturity pattern from the date of the balance sheet as under:

As at 31st March, 2024

Redeemable at par within	Rate of interest							
	< 12%		>= 12% < 14%		> =14%<=15%		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Due above 5 years	-	-	-	-	-	-	-	-
Due within 4-5 years	-	-	-	-	-	-	-	-
Due within 3-4 years	-	-	-	-	-	-	-	-
Due within 2-3 years	-	-	-	-	-	-	-	-
Due within 1-2 years	-	-	-	-	-	-	-	-
Due within 1 year	-	-	-	-	-	-	-	-
Grand Total	-	-	-	-	-	-	-	-
Effective Interest rate adjustment								-
Interest Accrued but not due								-
Total								-

As at 31st March, 2023

Redeemable at par within	Rate of interest							
	< 12%		>= 12% < 14%		> =14%<=15%		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Due above 5 years	-	-	-	-	-	-	-	-
Due within 4-5 years	-	-	-	-	-	-	-	-
Due within 3-4 years	-	-	-	-	-	-	-	-
Due within 2-3 years	-	-	-	-	-	-	-	-
Due within 1-2 years	-	-	-	-	-	-	-	-
Due within 1 year	-	-	-	-	-	-	-	-
Grand Total	-	-	-	-	-	-	-	-
Effective Interest rate adjustment								(0.00)
Interest Accrued but not due								-
Total								(0.00)

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 22: Other financial liabilities

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Unclaimed matured non-convertible debenture	16.03	16.57
Unclaimed dividend	25.73	24.70
Unclaimed matured subordinate bonds and interest accrued thereon	5.79	10.44
Securitisation payable on Direct Assignment	455.86	189.12
Security deposits	604.71	670.67
Auction surplus refundable	162.16	429.49
Employee related payables	1,055.90	1,062.73
Others	214.84	165.75
Total	2,541.02	2,569.47

Note 23: Provisions

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Loan commitments	0.78	0.53
Provision for other assets	41.21	63.19
Employee benefits		
- Gratuity	161.26	158.22
- Provision for compensated absences	222.32	222.11
Litigation*	147.50	131.09
Others (taxation)	-	-
For others (Proposed Dividend)	-	-
Total	573.07	575.14

Movement of provisions other than employee benefits during the year

The movement in provisions during 2023-24 and 2022-23 is, as follows:

Particulars	Litigation	Other Assets	Total
At 31 March 2022	107.10	145.13	252.23
Provided /(reversed) during the year	23.99	(81.94)	(57.95)
As at 31 March 2023	131.09	63.19	194.28
Provided /(reversed) during the year	16.41	(21.98)	(5.57)
As at 31 March 2024	147.50	41.21	188.71

*Litigation:

Litigation provisions arise out of current or potential claims or pursuits alleging non-compliance with contractual or other legal or regulatory responsibilities, which have resulted or may arise in claims from customers, counterparties or other parties in civil litigations.

Loan commitments

Credit quality of exposure

Particulars	31 March 2024				31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Standard assets	4,000.00	-	-	4,000.00	2,700.00	-	-	2,700.00
Sub-standard assets	-	-	-	-	-	-	-	-
Doubtful Assets	-	-	-	-	-	-	-	-
High risk assets	-	-	-	-	-	-	-	-
Under litigation	-	-	-	-	-	-	-	-
Total	4,000.00	-	-	4,000.00	2,700.00	-	-	2,700.00



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to undisbursed loans is as follows:

Particulars	FY 2023-24				FY 2022-23			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	2,700.00	-	-	2,700.00	1,500.00	-	-	1,500.00
New assets originated or purchased	1,300.00	-	-	1,300.00	1,200.00	-	-	1,200.00
Assets derecognised or repaid	-	-	-	-	0.00	-	-	0.00
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Amounts written off	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	4,000.00	-	-	4,000.00	2,700.00	-	-	2,700.00

Reconciliation of ECL balance is given below:

Particulars	FY 2023-24				FY 2022-23			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	0.53	-	-	0.53	0.29	-	-	0.29
New assets originated or purchased	-	-	-	-	-	-	-	-
Assets derecognised or repaid (excluding write offs)	0.24	-	-	0.24	0.24	-	-	0.24
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Impact on year end ECL of exposures transferred between stages during the year	-	-	-	-	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Amounts written off	-	-	-	-	-	-	-	-
ECL allowance - closing balance	0.78	-	-	0.78	0.53	-	-	0.53

Note 24: Other Non-financial liabilities

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Statutory dues payable	262.60	308.75
Retention money and other sundry liabilities	1,672.96	1,091.52
Total	1,935.56	1,400.27

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 25: Equity share capital

The reconciliation of equity shares outstanding at the beginning and at the end of the period

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Authorised		
98,00,00,000 (31 March 2023: 98,00,00,000) equity shares of ₹ 2/- each	1,960.00	1,960.00
4,00,000 (31 March 2023: 4,00,000) preference shares of ₹ 100/- each	40.00	40.00
Total Authorised	2,000.00	2,000.00
Issued, subscribed and fully paid up		
84,64,34,729 (31 March 2023: 84,63,94,729) equity shares of ₹ 2/- each	1,692.87	1,692.79
Total Issued, subscribed and fully paid up	1,692.87	1,692.79

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Particulars	No. in Millions	₹ in Millions
As at 1 April 2022	846.39	1,692.79
Issued during the year - ESOP (refer note 37)	-	-
As at 31 March 2023	846.39	1,692.79
Issued during the year - ESOP (refer note 37)	0.04	0.08
As at 31 March 2024	846.43	1,692.87

Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended 31 March 2024, the amount of per share dividend recognized as distributions to equity shareholders was ₹ 3.30/- per share (31 March 2023: ₹ 3/- per share)

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.

Details of shareholders holding more than 5% shares in the Company

Particulars	31 st March, 2024		31 st March, 2023	
	No. in Millions	% holding in the class	No. in Millions	% holding in the class
Mr. Nandakumar V P	245.45	29.00	245.45	29.00
Ms. Sushama Nandakumar	48.00	5.67	48.00	5.67
DSP Small Cap Fund	-	-	43.07	5.09
Quinag Acquisition (FPI) Ltd	-	-	83.79	9.90

As per the records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Shareholding and change in shareholding percentages of promoters

Promoter*	Details of shares as at 31-03-2024		Details of shares as at 31-03-2023		% change during the year**
	No of shares	% of total share	No of shares	% of total share	
V.P.Nandakumar	24,54,54,221	29.00%	24,54,54,221	29.00%	0.00%
Sooraj Nandan	3,674	0.00%	3,674	0.00%	0.00%
Sushama Nandakumar	4,80,01,078	5.67%	4,80,01,078	5.67%	0.00%
Suhas Nandan	17,051	0.00%	17,051	0.00%	0.00%
Jyoti Prasannan	44,74,990	0.53%	44,74,990	0.53%	0.00%

*Promoter means promoter as defined as per Companies Act, 2013

**Percentage change shall be computed with respect to the number at the beginning of the year



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

The Company has issued 36,24,872 equity shares (31 March 2023: 38,58,967) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in the form of employee services.

For details of shares reserved for issue under the employee stock option plan(ESOP) of the Company, refer note 37

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

Note 26: Other equity

Securities premium	
As at 1 April 2022	14,108.75
Add: Additions on ESOPs exercised	-
As at 31 March 2023	14,108.75
Add: Additions on ESOPs exercised	9.37
As at 31 March 2024	14,118.12

Share option outstanding account	
As at 1 April 2022	137.55
Add: Other Additions/ Deductions during the year	0.28
As at 31 March 2023	137.83
Add: Other Additions/ Deductions during the year	(137.83)
As at 31 March 2024	-

Statutory reserve pursuant to Section 45-IC of the RBI Act, 1934	
As at 1 April 2022	17,177.13
Add: Transfer from surplus balance in the Statement of Profit and Loss	2,532.53
As at 31 March 2023	19,709.66
Add: Transfer from surplus balance in the Statement of Profit and Loss	3,315.55
As at 31 March 2024	23,025.21

Impairment Reserve	
As at 1 April 2022	439.93
Add/(Less): Amount transferred from /(to) surplus in the Statement of Profit and Loss	-
As at 31 March 2023	439.93
Add/(Less): Amount transferred from /(to) surplus in the Statement of Profit and Loss	-
As at 31 March 2024	439.93

General reserve	
As at 1 April 2022	3,627.02
Utilised during the year	-
As at 31 March 2023	3,627.02
Utilised during the year	133.31
As at 31 March 2024	3,760.33

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Hedging reserve	
As at 1 April 2022	4.24
Add/(Less): Effect of foreign exchange rate variations in Hedging instruments	1.17
As at 31 March 2023	5.41
Add/(Less): Effect of foreign exchange rate variations in Hedging instruments	-
As at 31 March 2024	5.41

Retained earnings	
As at 1 April 2022	42,592.22
Add: Profit for the year	12,662.63
Less: Appropriations	
Transfer (to)/from debenture redemption reserve	-
Interim dividend on equity shares including tax thereon	(2,539.18)
Transfer to Statutory Reserve	(2,532.53)
Transfer to Impairment reserve	-
Transfer from Share option outstanding account	-
As at 31 March 2023	50,183.14
Add: Profit for the year	16,577.75
Less: Appropriations	
Transfer (to)/from debenture redemption reserve	-
Interim dividend on equity shares including tax thereon	(2,793.18)
Transfer to Impairment reserve	-
Transfer to Statutory Reserve	(3,315.55)
As at 31 March 2024	60,652.17

Other comprehensive income	
As at 1 April 2022	(350.87)
Movements during the year	245.42
As at 31 March 2023	(105.45)
Movements during the year	(95.90)
As at 31 March 2024	(201.35)

Share application money pending allotment	
As at 1 April 2022	0.02
Movements during the year	(0.02)
As at 31 March 2023	(0.00)
Movements during the year	-
As at 31 March 2024	(0.00)
Total other equity	
As at 31 March 2023	88,106.29
As at 31 March 2024	1,01,799.81

Nature and purpose of Reserves

Statutory reserve (Statutory Reserve pursuant to Section 45-IC of The RBI Act, 1934): Section 45IC of Reserve Bank of India Act, 1934 ("RBI Act, 1934") defines that every non banking finance institution which is a Company shall create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the statement of profit and loss before any



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

dividend is declared. The Company has transferred an amount of ₹3315.55Mn (2022-23 ₹2532.53 Mn) to Statutory reserve pursuant to Section 45-IC of RBI Act, 1934

Securities premium: 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.

Hedge reserve: The Company uses hedging instruments as part of its management of foreign currency risk and interest rate risk associated on borrowings as described within note 45. For hedging foreign currency and interest rate risk, the Company uses foreign currency forward contracts, cross currency swaps, foreign currency option contracts and interest rate swaps. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the hedge reserve. Amounts recognised in the hedge reserve is reclassified to the statement of profit or loss when the hedged item affects profit or loss (e.g. interest payments).

Debenture redemption reserve:

- (1) Pursuant to Section 71 of the Companies Act, 2013 and circular 04/2013, read with notification issued date June 19, 2016 issued by Ministry of Corporate Affairs, the Company is required before 30th day of April of each year to deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debenture issued through public issue maturing within one year from the balance sheet date.
- (2) Pursuant to notification issued by Ministry of Corporate Affairs on 16th August, 2019 in exercise of the powers conferred by sub-sections (1) and (2) of section 469 of the Companies Act, 2013 (18 of 2013), the Central Government amend the Companies (Share Capital and Debentures) Rules, 2014.

In the principal rules, in rule 18, for sub-rule (7), the limits with respect to adequacy of Debenture Redemption Reserve and investment or deposits for listed companies (other than All India Financial Institutions and Banking Companies as specified in sub-clause (i)), Debenture Redemption Reserve is not required to maintain in case of public issue of debentures as well as privately placed debentures for NBFCs registered with Reserve Bank of India under section 45-IA of the RBI Act, 1934.

- (3) By complying with the above notification, the Company has transferred back ₹ 1,115.33 Millions from DRR to Retained earnings in the financial year ended 31 March 2020 and in respect of the debentures issued during the current year, the Company is not required to create DRR."

General reserve: Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Share option outstanding account (ESOP reserve): The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 37 for further details of these plans.

Other comprehensive income: Other items of other comprehensive income consist of re-measurement of net defined benefit liability/asset and fair value changes on derivatives designated as cash flow hedge, net.

Impairment Reserve

The NBFCs will have to compute two types of provisions or loss estimations, ECL as per Ind AS 109 & its internal ECL model and parallelly provisions as per the RBI prudential norms. A comparison between the two is required to be disclosed by the NBFC in the annual financial statements. Where the ECL computed as per the ECL methodology is lower than the provisions computed as per the IRAC norms, then the difference between the two should be parked in "Impairment Reserve". Allocation to Impairment Reserve should be made out of Retained earnings and there are certain restrictions towards utilization of this reserve amount.

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 27: Revenue from operations

Note 27 (i): Interest income

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
On financial assets measured at amortised cost:		
Interest on loans		
- Gold loans	44,232.97	39,903.31
- Property loans	40.16	113.43
- Onlending	1,244.10	389.54
- Commercial vehicles	5,369.75	3,671.42
- Other Loans	5,409.00	2,586.73
Interest income from investments	156.07	157.54
Interest on deposits with banks	610.92	743.46
Interest on Subordinated Debt	148.41	-
Interest on Security Deposit	(5.76)	(23.46)
Total	57,205.62	47,541.97

Note 27 (ii): Fees and commission income

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Foreign exchange commission	0.11	0.28
Money transfer commission	29.88	31.20
Total	29.99	31.48

Note 27 (iii): Dividend Income

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Dividend Income*	150.00	80.38
Total	150.00	80.38

*Dividend is received from subsidiary Manappuram Insurance Brokers Limited

Note 27 (iv): Net gain on fair value changes

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Net gain on financial instruments at fair value through profit or loss		
On trading portfolio		
- Investments	0.01	0.17
- Derivatives	-	-
Total Net gain on fair value changes (A)	0.01	0.17
Fair value changes:		
- Realised	-	-
- Unrealised	0.01	0.17
Total Net gain fair value changes (B)	0.01	0.17

Note 27 (v): Other operating income

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Bad debts recovered	167.05	103.81
Others	339.25	176.85
Total	506.30	280.66



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 28: Other income

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Net gain on derecognition of property, plant and equipment	5.85	8.08
Provisions no longer required written back	-	-
Others	241.50	109.85
Total	247.35	117.93

Note 29: Finance costs

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
On financial liabilities measured at amortised cost:		
Interest on debt securities	3,915.23	6,446.48
Interest on borrowings	13,456.46	7,459.52
Interest on subordinated liabilities	-	0.15
Finance Cost on Lease Liability	521.52	563.29
Interest on direct assignments	51.47	51.53
Other interest expense	336.51	463.15
Total	18,281.18	14,984.12

Note 30: Fees and commission expense

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
On financial liabilities measured at amortised cost:		
Commission paid	505.51	254.30
Total	505.51	254.30

Note 31: Impairment on financial instruments

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
On financial instruments measured at amortised cost:		
Loans	1,083.97	450.79
- Standard assets	122.87	476.38
- Non-performing assets	216.13	(186.32)
- Write offs	744.98	160.73
Investments	-	(0.19)
Total	1,083.98	450.60

Note 32: Employee benefits expenses

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Salaries and wages	9,372.50	9,043.86
Contribution to provident and other funds	838.01	874.45
Share based payments to employees	-	-
Staff welfare expenses	11.22	107.39
Total	10,221.73	10,025.70

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 33: Depreciation and amortisation

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Depreciation of tangible assets	812.60	592.55
Amortisation of intangible assets	60.41	63.05
Depreciation on Right of Use assets	1,005.32	970.54
Total	1,878.33	1,626.15

Note 34: Other expenses

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Rent	314.68	259.59
Energy costs	263.44	250.97
Repairs and maintenance		
- Vehicles	3.24	4.28
- Others	412.88	354.22
Rates and taxes	82.31	47.85
Printing and stationery	148.05	125.32
Travelling and conveyance	412.97	328.84
Advertising and publicity	810.41	699.07
Directors' fees, allowances & expenses	8.82	5.37
Payment to auditors (Refer note (i) below)	13.08	11.45
Insurance	216.37	259.60
Communication costs	307.56	309.02
Legal and professional charges	320.60	222.33
Corporate Social Responsibility expenses (CSR) (Refer note (ii) below)	387.59	385.59
Other expenditure	151.07	145.93
IT Support costs	445.45	394.24
Security charges	60.98	60.77
Total	4,359.50	3,864.43

Note (i) Payment to auditor

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
As auditors:		
Statutory audit fee	3.54	4.91
Limited reviews	8.99	6.00
Other statutory attest services	0.55	0.55
Total	13.08	11.45

Note (ii) Details of CSR expenditure

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
a) Gross Amount required to be spent by the Company during the year	444.69	385.59

	In cash	Yet to be paid in cash	Total
b) Amount spent during the year ended on March 31, 2024			
i) Construction/acquisition of assets	235.00	-	235.00
ii) On purpose other than (i) above	209.70		209.70



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

	In cash	Yet to be paid in cash	Total
c) Amount spent during the year ended on 31st March, 2023			
i) Construction/acquisition of assets			
ii) On purpose other than (i) above	372.45	13.14	385.59

	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
d) CSR amount Unspent for the financial year		
Amount Transfer to Unspent CSR amount	-	43.96
FY 2021-22	-	13.14
FY 2022-23	-	-
FY 2023-24	-	57.10
Total	-	57.10

Reason for shortfall in CSR expenditure: The amount remains unspent is pertaining to the ongoing projects and the same have been transferred to CSR unspent account. There were procedural delays in getting permission from statutory authorities to complete the projects which lead to extend the projects more than one year. The amount so transferred will be spend with in a period of 3 years.

Nature of CSR expenditure: CSR projects of Manappuram Finance Ltd are focused on promotion of quality education, promotion of healthcare, Rural development projects, women empowerment, environment sustainability etc which includes both ongoing and one year projects.

Details of related party trasactions with respect to CSR expenditure are showed under note 42.

Note 35: Income Tax

The Company has computed the tax expense of the current financial year as per the tax regime announced under section 115BAA of the Income Tax Act, 1961. Accordingly, (a) the provision for current and deferred tax has been determined at the rate of 25.17% and (b) the deferred tax assets and deferred tax liabilities as on April 01, 2019 have been restated at 25.17%.

The components of income tax expense for the period ended 31 March 2024 and 31 March 2023 are:

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Current tax	5,727.56	4,544.89
Adjustment in respect of current income tax of prior years	-	-
Deferred tax relating to origination and reversal of temporary differences	(89.05)	(144.24)
Total tax charge	5,638.51	4,400.65
Current tax	5,727.56	4,544.89
Deferred tax	(89.05)	(144.24)

Reconciliation of total Income tax expense:

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Profit before tax for computation	22,216.26	17,063.28
Add/(Less): (Allowances) / Disallowances (Net)	539.26	993.50
Adjusted profit before tax for income tax	22,755.52	18,056.78
Current tax as per Books (Effective rate of 25.78%, 2023: 26.64%)	5,727.56	4,544.89
Adjustment of earlier year taxes	-	-
Total tax as given in Books	5,727.56	4,544.89
Statutory income tax at the rate of 25.17% (2022 : 25.17%)	5,727.56	4,544.89

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI	Others - Adjusted in Statement of Profit and Loss in Other equity
	31 March 2024	31 March 2024	2023-24	2023-24	2023-24
Provisions for litigations and compensated absences	93.08	-	4.18	-	-
Property, plant and equipment	273.07	-	56.74	-	-
Right of use asset (Net of lease liabilities)	1,343.86	(1082.51)	29.84	-	-
Impairment allowance for financial assets	365.56	-	30.93	-	-
Remeasurement gain / (loss) on defined benefit plan	40.59	-	(2.63)	3.39	-
Derivative instruments in Cash flow hedge relationship	31.54	-	-	28.87	-
Debt instrument measured at amortised cost	-	(152.07)	7.26	-	-
Financial assets measured at amortised cost	151.51	(161.79)	(41.50)	-	-
Other temporary differences	63.84	(37.14)	4.23	-	-
Total	2,363.05	(1,433.51)	89.06	32.26	-
Net Deferred tax asset as at 31 March 2024	929.54				

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI	Others - Adjusted in Statement of Profit and Loss in Other equity
	31 March 2023	31 March 2023	2022-23	2022-23	2022-23
Provisions for litigations and compensated absences	88.90	-	15.11	-	-
Property, plant and equipment	216.33	-	(32.06)	-	-
Right of use asset (Net of lease liabilities)	1,445.62	(1214.11)	52.98	-	-
Impairment allowance for financial assets	334.64	-	119.86	-	-
Remeasurement gain / (loss) on defined benefit plan	39.82	-	11.54	0.45	-
Derivative instruments in Cash flow hedge relationship	2.67	-	0.29	(83.04)	-
Debt instrument measured at amortised cost	-	(159.33)	(60.00)	-	-
Financial assets measured at amortised cost	105.62	(74.38)	27.07	-	-
Other temporary differences	61.46	(39.02)	9.44	-	-
Total	2,295.06	(1,486.85)	144.23	(82.59)	-
Net Deferred tax asset as at 31 March 2023	808.21				

Note 36: Earnings per share

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Net profit for calculation of basic earnings per share	16,577.75	12,662.63
Weighted average number of equity shares in calculating basic earnings per share (Nos.)	84,64,17,680	84,63,94,729
Effect of dilution:		
Stock options granted under ESOP (Nos.)	-	7,546
Weighted average number of equity shares in calculating diluted earnings per share (Nos.)	84,64,17,680	84,64,02,275
Basic earnings per share (₹)	19.59	14.96
Diluted earnings per share (₹)	19.59	14.96



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 37: Employee Stock Option Scheme (ESOS)

Employee Stock Option Scheme (ESOS), 2016

The details of the Employee Stock Option Scheme 2016 are as under:

Date of share holders' approval	05 July 2016								
Number of options approved	252,36,214								
Date of grant	08 August 2016								
Method of Accounting	The Company has used the fair value method to account for the compensation cost of stock options to employees. The fair value of options used are estimated on the date of grant using the Black – Scholes Model. The key assumptions used in Black – Scholes Model for calculating fair value as on the date of grant are:								
	<table border="1"> <thead> <tr> <th>(Rf)Interest Rate</th> <th>Expected Life</th> <th>Dividend Yield</th> <th>Expected Volatility</th> </tr> </thead> <tbody> <tr> <td>7.03% to 7.25%</td> <td>3 to 5 years</td> <td>2.95%</td> <td>49.68%-55.38%</td> </tr> </tbody> </table>	(Rf)Interest Rate	Expected Life	Dividend Yield	Expected Volatility	7.03% to 7.25%	3 to 5 years	2.95%	49.68%-55.38%
(Rf)Interest Rate	Expected Life	Dividend Yield	Expected Volatility						
7.03% to 7.25%	3 to 5 years	2.95%	49.68%-55.38%						
Date of In principle Approval	In principle approval of the BSE was obtained on 20 December 2016 and NSE on 28 December 2016.								
Number of options granted	1,37,50,466								
Method of settlement	Equity								
Graded Vesting	"Graded vesting shall happen in a graded basis in three tranches over a period of three years. <ul style="list-style-type: none"> a) The first tranche of 30% shall be vested when a period of 12 months would expire from the Date of grant; b) The second tranche of 30% shall be vested when a period of 24 months would expire from the Date of grant; c) The third tranche of 40% shall be vested when a period of 36 months would expire from the Date of grant. 								
Exercisable period	The vested options shall be allowed for exercise on and from the date of vesting. The vested options need to be exercised with in a period of one year and 30 days from the date of vesting of the respective tranche through the Exercise Window to apply for ESOS Shares against Options vested with the Eligible Employee in pursuance of the Scheme. However, the Eligible Employee has a right to exercise the Options vested in the first tranche and second tranche on or before the expiry of the Exercise Period of the third tranche, utilising the exercise window which shall be a period of 30 days from the close of each half of the year counted from the date of vesting during the Exercise Period.								
Vesting conditions	Options shall vest essentially based on continuation of employment and apart from that the Board or Committee may prescribe achievement of any performance condition(s) for vesting.								
Source of shares	Primary								
Variation in terms of options	No Variations made to the term of Scheme								

The Company has adopted ESOS 2016 as per SEBI(Share Based Employee Benefits) Regulation, 2014 and has recorded a compensation expense using the fair value method as set out in those regulations.

The Company has granted 1,37,50,466 options at an exercise price of 86.45 on 08 August 2016 which will vest over a period of three years from the grant date (08 August 2016) and the vesting of options shall be at 30% each in the first and second year and the balance 40% in the third year from the date of grant.

The summary of the movements in options is given below:

Particulars	31 st March, 2024	31 st March, 2023
Options outstanding, beginning of year	40,000	40,000
Options granted during the year	-	-
Lapsed Options restored during the year	-	-
Options lapsed during the year	-	-
Options Exercised during the year	(40000)	-
Options unvested and Outstanding at the end of the year	-	40,000

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Particulars	31 st March, 2024	31 st March, 2022
Weighted average remaining contract life of options	-	-
weighted average market price at the exercise date	152.95	-

Particulars	Vesting I	Vesting II	Vesting III
	8 th August, 2017 30%	8 th August, 2018 30%	8 th August, 2019 40%
Fair Value per vest (₹)	26.11	30.61	34.29
Risk-free interest rate (%)	7.03	7.15	7.25
Expected life	3 years	4 years	5 Years
Expected volatility (%)	49.68	52.66	55.38
Expected dividend yield (%)	2.95	2.95	2.95
Share price on the date of grant (face value of ₹ 10/-)	86.45	86.45	86.45

The expected volatility of the stock has been determined based on historical volatility of the stock. The period over which volatility has been considered is the expected life of the option.

Note 38: Retirement Benefit Plan

Defined Contribution Plan

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized ₹620.43Mn(31 March 2023: ₹627.13Mn) for Provident Fund contributions and ₹116.35Mn(31 March 2023: ₹131.18Mn) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.

Defined Benefit Plan

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India and Kotak Life Insurance.

Update on the Code on Social Security, 2020 ('Code')

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

The following tables summaries the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan.

Net employee benefit expense recognised in the statement of profit and loss

Components of employer expense	31 March 2024	31 March 2023
Current service cost	209.69	223.83
Past Service Cost	-	12.07
Net Interest on net defined benefit liability/ (asset)	9.20	5.29
Total employer expense	218.89	241.19



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Net employee benefit expense recognised in the Other Comprehensive Income

Movement in Other Comprehensive Income (OCI)	31 March 2024	31 March 2023
Balance at start of year (Loss)/Gain	(128.50)	(126.69)
Actuarial (Loss)/ Gain from changes in demographic assumptions	0.00	60.12
Actuarial (Loss)/ Gain from changes in financial assumptions	(7.01)	(11.71)
Actuarial (Loss)/ Gain from experience over the past year	7.71	(52.53)
Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/(asset)	(17.71)	2.31
Balance at end of year (Loss)/Gain	(145.51)	(128.50)

Experience adjustments

Particulars	31 March 2024	31 March 2023	31 March 2022	31 March 2021	31 March 2020
Defined benefit obligation	1373.2	1251.20	1118.76	(1009.55)	(831.86)
Fair value of plan assets	1211.94	1092.98	1008.15	871.77	645.02
Asset/(liability) recognized in the balance sheet	(161.26)	(158.22)	(110.60)	(137.78)	(186.84)
Experience adjustments on plan liabilities (Gain) / Loss	(7.71)	52.53	(3.98)	26.23	35.66
Experience adjustments on plan assets Gain / (Loss)	(17.71)	2.31	7.71	(1.84)	6.37

Changes in the present value of the defined benefit obligation are as follows:

Particulars	31 March 2024	31 March 2023
Opening defined benefit obligation	1251.22	1118.76
Transfer in/out	(30.54)	(35.04)
Interest cost	88.85	70.48
Current service cost	209.69	223.83
Benefits paid	(145.30)	(143.00)
Past service cost	0.00	12.07
Actuarial (Loss)/ Gain from changes in demographic assumptions	0.00	(60.12)
Actuarial loss / (gain) from changes in financial assumptions	7.01	11.71
Actuarial loss / (gain) from experience over the past year	(7.71)	52.53
Closing defined benefit obligation	1,373.22	1,251.22

Changes in the fair value of plan assets are as follows:

Particulars	31 March 2024	31 March 2023
Opening fair value of plan assets	1093.00	1008.17
Transfer in/Out	(30.54)	(35.04)
Expected return	79.63	65.20
Contributions by employer	232.93	195.36
Benefits paid	(145.30)	(143.00)
Actuarial gains / (losses)	(17.71)	2.31
Closing fair value of plan assets	1212.01	1093.00
Closing Liability (net) recognised in Balance Sheet	161.26	158.22
Expected contribution to fund to be made in the next year	240.00	150.00

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	31 March 2024	31 March 2023
Discount rate	7.00%	7.10%
Salary growth rate	9.00%	9.00%
Attrition rate	20.00%	20.00%
Expected rate of return on assets (per annum)	7.10%	6.30%

Percentage Break-down of total plan assets

Particulars	31 March 2024	31 March 2023
Real estate	0.00%	0.00%
Derivatives	0.00%	0.00%
Investment Funds with Insurance Company	99.66%	99.61%
<i>Of which, Unit Linked</i>	0.00%	21.98%
<i>Of which, Traditional/ Non-Unit Linked</i>	99.66%	77.63%
Asset-backed securities	0.00%	0.00%
Structured debt	0.00%	0.00%
Cash and cash equivalents	0.34%	0.39%
Total	100.00%	100.00%

Assumptions	31 March 2024		31 March 2023	
	Discount rate		Discount rate	
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation [Increase/(Decrease)]	(67.21)	74.08	(61.13)	67.28

Assumptions	31 March 2024		31 March 2023	
	Salary Growth Rate		Salary Growth Rate	
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation [Increase/(Decrease)]	71.95	(66.61)	65.42	(60.64)

Assumptions	31 March 2024		31 March 2023	
	Withdrawal Rate		Withdrawal Rate	
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation [Increase/(Decrease)]	11.51	(12.33)	10.34	(11.06)

The weighted average duration of the defined benefit obligation as at 31 March 2024 is 4 years (2023: 4 years)

The fund is administered by Life Insurance Corporation of India ("LIC") and Kotak Life Insurance. The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The defined benefit plans expose the Company to a number of actuarial risks as below:

Investment Risks - The company's performance is directly affected by the over- or under-performance of the investment assets of the gratuity plan. Inadequate performance could, among others, increase the future employer contributions.

Interest Rate Risk - This is the risk associated with a rise or fall in the interest rate which could affect liability and asset values. The plan is exposed to the interest rate risk toward its liability and asset values.

Regulatory Risk - The gratuity plan is exposed to multiple regulatory risks e.g., increase in the statutory benefit definition for gratuity. Higher costs from regulatory oversight of organisation pensions or from compliance toward existing trust and funding-related obligations (e.g., minimum funding requirements) contribute to the regulatory risks.



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Salary and earnings inflation Risk - The Salary growth rate assumption is the company's estimate of future salary increases take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. In a 'final salary' gratuity plan, the risk of higher earnings-inflation and merit-related salary growth could outweigh the assumptions employed for the valuation and increase the company's future defined benefit obligation.

The principal assumptions used in determining leave encashment obligations for the Company's plans are shown below:

Particulars	31 st March, 2024	31 st March, 2023
Discount rate	7.00%	7.10%
Attrition rate	20.00%	20.00%
Salary Growth Rate	9.00%	9.00%

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Note 39: Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities of the products. With regard to loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations.

Particulars	31 March 2024			31 March 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	15,293.86	-	15,293.86	18,727.00	-	18,727.00
Bank Balance other than above	1,500.06	573.59	2,073.64	1,546.96	521.05	2,068.01
Loans	2,37,592.94	53,791.64	2,91,384.58	2,08,802.30	36,781.71	2,45,584.01
Investments	54.39	17,601.32	17,655.71	53.96	14,488.36	14,542.32
Other Financial assets	2,662.30	248.54	2,910.84	1,958.36	136.68	2,095.04
Non-financial Assets						
Current tax assets (net)	524.94	-	524.94	8.44	-	8.44
Deferred tax assets (net)	-	929.54	929.54	-	808.21	808.21
Property, plant and equipment	-	3,597.31	3,597.31	-	3,577.63	3,577.63
Capital work-in-progress	-	333.46	333.46	-	160.11	160.11
Right of Use Asset	-	4,448.36	4,448.36	-	4,978.66	4,978.66
Other Intangible assets	-	107.27	107.27	-	138.49	138.49
Other non financial assets	436.66	30.09	466.75	573.72	113.38	687.10
Total assets	2,58,065.15	81,661.12	3,39,726.26	2,31,670.74	61,704.28	2,93,375.04
Liabilities						
Financial Liabilities						
Derivative financial instruments	-	110.22	110.22	-	32.85	32.85
Payables	1,066.26	-	1,066.26	961.75	-	961.75
Debt Securities	17,345.59	26,994.22	44,339.81	22,677.20	26,930.87	49,608.07
Borrowings (other than debt security)	1,21,927.48	58,401.03	1,80,328.51	92,579.32	50,105.67	1,42,684.99
Subordinated Liabilities	-	-	-	-	-	-
Lease Liability	-	5,339.14	5,339.14	-	5,743.43	5,743.43
Other Financial liabilities	1,936.31	604.71	2,541.02	1,898.80	670.67	2,569.47
Non-financial Liabilities						
Provisions	573.07	-	573.07	575.14	-	575.14
Other non-financial liabilities	1,935.56	-	1,935.56	1,400.27	-	1,400.27
Total Liabilities	1,44,784.27	91,449.31	2,36,233.57	1,20,092.48	83,483.49	2,03,575.97
Net	1,13,280.88	(9,788.19)	1,03,492.69	1,11,578.26	(21,779.21)	89,799.07

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 40: Change in liabilities arising from financing activities

Particulars	As at 31 March 2023	Cash Flows	Ind AS Adjustments	As at 31 March 2024
Debt Securities	49,608.07	(4,802.51)	(465.76)	44,339.81
Borrowings other than debt securities	1,42,685.00	37,785.81	(142.30)	1,80,328.51
Subordinated Liabilities	-	-	-	-
Total	1,92,293.07	32,983.30	(608.06)	2,24,668.32

Particulars	As at 31 March 2022	Cash Flows	Ind AS Adjustments	As at 31 March 2023
Debt Securities	78,032.83	(27,880.63)	(544.13)	49,608.07
Borrowings other than debt securities	1,01,220.85	41,552.92	(88.77)	1,42,685.00
Subordinated Liabilities	6.00	(6.00)	-	-
Total	1,79,259.68	13,666.29	(632.90)	1,92,293.07

Note 41: Contingent liabilities, commitments and leasing arrangements

Note 41 (i): Contingent Liabilities

(a) Applicability of Kerala Money Lenders' Act

The Company has challenged in the Hon'ble Supreme Court the order of Hon'ble Kerala High Court upholding the applicability of Kerala Money Lenders Act to NBFCs. The Hon'ble Supreme Court has directed that a status quo on the matter shall be maintained and the matter is currently pending with the Hon'ble Supreme Court. The Company has taken legal opinion on the matter and based on such opinion the management is confident of a favourable outcome. Pending the resolution of the same, no adjustments have been made in the financial statements for the required license fee and Security deposits.

Particulars	As at 31 March 2024	As at 31 March 2023
i) Income Tax Demand under Appeal before The Commissioner of Income Tax (Appeals) for the Assessment Year 2015-16	307.20	307.20
ii) Income Tax Demand under Regular Assessment for the Assessment Year 2018-19	1.38	1.38
iii) Kerala Value Added Tax demands under appeal pending before The Deputy Commissioner for the Assessment Years 2009-10, 2010-11, 2011-12, 2012-13 and 2014-15 (Excluding Penalty and Interest, if any)	44.99	44.94
iv) An additional demand of ₹462.7 Million has arisen because of the taxing of MTM gain of ₹145.75 Cr and Substandard Asset Provision ₹350.9 Million in AY 2020-21. Out of ₹350.9 Million- Sub standard provision, ₹346.8 Million has been allowed as a deduction in the subsequent AY 2021-22	462.70	462.7
v) The probable tax demand on profit relating to the sale of SBI mutual Funds. Income involved being ₹ 106.6 Million (506.5 Millions less 400 Millions). FY 2015-16 and AY 2016-17	36.90	36.90
vi) AC of Income tax reopened the assessment of AY 2017-18 and taxed unrecognized interest income of ₹ 14.30 Cr on NPA accounts. As per order dated Dec 27, 2023, there is a demand of ₹ 5.05 Cr.	50.50	-
vii) ACIT passed an Order dated 13-03-2024, disallowing baddebt written off being ₹ 28,90,891.	0.78	-
viii) Assistant Commissioner in his Order dated 12-02-2024 added the expenditure under Section 14A ₹79118500/- and Section 80G on donations paid ₹208,02,910 to its total income.	57.82	-
ix) GST	33.13	-
Total	995.40	853.12



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

- b) The company has some labour cases pending against it in various courts and with labour commissioners of various states. The company's liability for these cases are not disclosed since actual liability to be provided is unascertainable.

Note 41 (ii): Commitments

- (i) Estimated amount of contracts remaining to be executed on capital account, net of advances as on 31st March 2024 is ₹340.73Mn (31 March 2023: ₹93.44Mn).

Note 41 (iii): Lease Disclosures (entity as a lessee)

(a) Leases of Branch Premises

- (i) Ind AS 116 "Leases" is applied to all lease contracts. The company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate of the company and the right of use (ROU) asset at measured at the amount of the initial measurement of the lease liability.
- (ii) The following is the summary of practical expedients elected on initial application:
1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date. Discount rate has been taken as the Incremental Borrowing rate of borrowings with similar tenure.
 2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
 3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application..
- (iii) The entity takes branch premises and computers on lease. Below are the changes made during the year in the carrying value of:

-Right-of-use assets

Particulars	Amount
Balance as at March 31, 2022	5,573.38
Additions	375.81
Amortisation on ROU Assets	(970.54)
Balance as at March 31, 2023	4,978.65
Additions	475.02
Amortisation on ROU Assets	(1,005.32)
Balance as at March 31, 2024	4,448.35

-Lease liabilities

Particulars	Amount
Balance as at March 31, 2022	6,151.01
Additions	375.81
Payment of Lease liabilities	(1,346.68)
Finance cost accrued during the period	563.29
Balance as at March 31, 2023	5,743.43
Additions	475.02
Payment of Lease liabilities	(1,400.83)
Finance cost accrued during the period	521.52
Balance as at March 31, 2024	5,339.14

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

- Amounts recognised in profit and loss

Particulars	As at 31 March 2024	As at 31 March 2023
Depreciation expense on right-of-use assets	1,005.32	970.54
Interest expense on lease liabilities	521.52	563.29

The total cash outflow for leases amount to ₹1400.83 Mn (for the period ended 31 March 2023 ₹ 1,346.68 Mn)

During the year 2023-24, the company has recognised other income of ₹Nil (As on 31-03-2023 ₹ Nil) with respect to waiver of lease rentals.

Maturity analysis of Lease Liability

Particulars	As at 31 March 2024	As at 31 March 2023
Not later than one year	747.33	853.81
Later than one year but not later than four years*	356.52	887.57
Later than four years	4,235.29	4,002.05
	5,339.14	5,743.43

The entity does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the entity's treasury function.*Lease Period considered upto 31.12.2029.

(b) Lease of Short Period (Less than 12 months)

The leases of certain premises are less than 12 months and hence are considered as short term leases and are exempted from the scope of leases under Ind AS 116.

During the year, the Company charged off ₹144.93 Mn (Previous year ₹ 124.97 Mn) as rent expenses on short term leases.

Note 42: Related Party Disclosures

Relationship	Name of the party
Subsidiary company	Manappuram Home Finance Limited
	Asirvad Micro Finance Limited
	Manappuram Insurance Brokers Limited
	Manappuram Comptech and Consultants Limited
Associates / Enterprises owned or significantly influenced by key management personnel or their relatives.	Manappuram Jewellers Limited
	Manappuram Agro Farms Limited
	Manappuram Foundation
	Manappuram Health Care Limited
	Manappuram Construction and Consultants Limited
	Manappuram Chit Funds Company Private Limited *
	MABEN Nidhi Limited
	Manappuram Asset Finance Limited
	Manappuram Chits (Karnataka) Private Limited *
	Manappuram Chits India Limited
	Adlux Medicity and Convention Centre Private Limited*
	MAFIN Enterprise *
	Manappuram travels *
	Manappuram Chits *
	DTA Advisory Pvt Ltd*



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Relationship	Name of the party
	DTB Advisory Pvt Ltd*
	DT3 Advisory Pvt Ltd*
	Finance Industry Development Council
	Kalyani Forge Limited*
	Tata Investment Corporation Limited*
	Pramerica Life Insurance Limited*
	Abans Global Ltd, UK*
	Mkundapuram Educational and Cultural Society*
	Orange Retail Finance India Private Limited*
	Manappuram Finance Employees Group Gratuity Fund Trust
	Earthables Projects LLP*
	Veritas Finance Private Limited*
	Rebar Design and Details Ltd*
	Saral Money Ltd*
	SNST Advisories Pvt Ltd*
	Association of UK Payment and Fintech Companies*
	Cashpor Micro Credit *
	Firstsource Solutions Limited*
	Fast Encash Money Transfer Services-Uk*
	Gateway Gardens (Block B) Management Ltd*
	InCred Financial Services Limited
	Value Finance Corporation Limited*
	Value Finance Ltd*
	Cochin International Airport Limited*
	IIM Calicut*
	Aptus Value Housing Finance India Limited*
	India Shelter Finance Corporation Limited*
	Morgan & Harvey Services Ltd*
	PCBL Limited*
	Kaizen Infotech Solutions Pvt Ltd*
	Myyshopp Ecommerce Technologies Pvt Ltd*
	Minda Instruments Limited*
	Minda Corporation Limited*
	GPS Renewables Private Limited*
	Cadila Pharmaceuticals Private Limited*
	Aavali Solutions Private Limited*
	Subex Account Aggregator Services Private Limited*
	Benefitklub Technologies Private Limited*
	Guru Deva International Mission*
	MACARE Dental Care Private Limited *
	Lions International Multiple District 318 D*
	Federation of Indian Chambers of Commerce and Industry
Key Management Personnel	Mr. V P Nandakumar - Managing Director & CEO
	Mr. Shailesh J Mehta-Chairman
	Ms. Sumitha Nandan-Executive Director

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Relationship	Name of the party
	Ms. Pratima Ram-Director
	Mrs. Bindu AL - Chief Financial Officer
	Mr. Manoj Kumar VR - Company Secretary
	Mr.P.Manomohan-Director
	Adv.V.R.Ramachandran-Director
	Mr.Suseel Kumar T C- Director
	Mr. Sankaran Nair Rajagopal-Director
	Adv. Veliath Pappu Seemandini
	Mr. Abhijit Sen-Director
	Mr. Harshan Kollara-Director
	Mr. E K Bharat Bhushan - Director
	Mr.S R Balasubramanian-Director
Relatives of Key Management Personnel	Mrs. Sushama Nandakumar (wife of Mr. V P Nandakumar)*
	Mr. Sooraj Nandan (son of Mr. V P Nandakumar)*
	Mr. Suhas Nandan (son of Mr. V P Nandakumar)
	Mrs. Shelly Ekalavyan (sister of Mr. V P Nandakumar)*
	Mrs.Jyothi Prasannan(sister of Mr.V.P.Nandakumar)*
	Mr.Jayasankar S (Daughter's Husband of Mr. V P Nandakumar)*
	Ms. Shruthi (Son's Wife of Mr. V P Nandakumar)*
	Ms. Niniraj (Son's Wife of Mr. V P Nandakumar)*
	Ms. Leena NS (Wife of Mr. V.R. Ramachandran)*
	Ms. Anju VR (Daughter of Mr. V.R. Ramachandran)*
	Mr. Rithwik V R (Son of Mr. V.R. Ramachandran)*
	Mr. Sethunath S R(Daughter's Husband of Mr. V.R. Ramachandran)*
	Ms. Indira (Sister of Mr. V.R. Ramachandran)*
	Mr. Sreedharan (Brother of Mr. V.R. Ramachandran)*
	Mr. Paranunni (Brother of Mr. V.R. Ramachandran)*
	Mr. Rishikeshan (Brother of Mr. V.R. Ramachandran)*
	Ms. Subhadra Manomohan (Wife of Mr. P.Manomohan)*
	Mr. Sajith (Son of Mr. P.Manomohan)*
	Ms. Asha (Son's Wife of Mr. P.Manomohan)*
	Mr. Balachandran (Brother of Mr. P.Manomohan)*
	Mr. Suresh Kumar (Brother of Mr. P.Manomohan)*
	Mr. Ragnath (Brother of Mr. P.Manomohan)*
	Mr. Sreedharan (Brother of Mr. P.Manomohan)*
	Ms. Tamashree Sen (Wife of Mr. Abhijit Sen)*
	Ms. Arati sen (Mother of Mr. Abhijit Sen)*
	Mr. Rohan Sen (Son of Mr. Abhijit Sen)*
	Mr. Vivek Sen (Son of Mr. Abhijit Sen)*
	Ms. Snehal Naik (Son's Wife of Mr. Abhijit Sen)*
	Ms. Amanda Barbee (Son's Wife of Mr. Abhijit Sen)*
	Mr. Bishwajit Sen (Brother of Mr. Abhijit Sen)*
	Mr. Nandakumar Kollara (Son of Mr. Harshan Kollara)*
	Mr. Jaihari Kollara (Son of Mr. Harshan Kollara)*
	Mrs.Elena T Kollara (Son's Wife of Mr. Harshan Kollara)*



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Relationship	Name of the party
	Dr.Sugathan Kollara (Brother of Mr. Harshan Kollara)*
	Mr. Sreenath Kollara (Brother of Mr. Harshan Kollara)*
	Ms. Sarala K S (Sister of Mr. Harshan Kollara)*
	Ms. Jayanthi K S (Sister of Mr. Harshan Kollara)*
	Ms. Sunitha K S (Sister of Mr. Harshan Kollara)*
	Ms. Kalpa (Wife of Mr. Shailesh J. Mehta)*
	Mr. Sameet S. Mehta (Son of Mr. Shailesh J. Mehta)*
	Ms. Kirtee S. Mehta (Son of Mr. Shailesh J. Mehta)*
	Ms. Sheetal Fisher (Daughter of Mr. Shailesh J. Mehta)*
	Ms. Sean Fisher (Daughter's Husband of Mr. Shailesh J. Mehta)*
	Mr. Sanjay Jayantilal Mehta (Brother of Mr. Shailesh J. Mehta)*
	Mr. Umesh Jayantilal Mehta (Brother of Mr. Shailesh J. Mehta)*
	Ms. Geeta Balasubramanian (Wife of Mr.S R Balasubramanian)*
	Mr. Ramnath Balasubramanian (Son of Mr.S R Balasubramanian)*
	Ms. Rajni Ramnath (Son's Wife of Mr.S R Balasubramanian)*
	Mr. S R Gopalakrishnan (Brother of Mr.S R Balasubramanian)*
	Mr. S Ramasubramanian (Relative of Ms. Pratima Ram)*
	Ms. Jyotsna Ram (Daughter of Ms. Pratima Ram)*
	Mr. Prakash Patel (Brother of Ms. Pratima Ram)*
	Mr. Prabhuling Patel (Brother of Ms. Pratima Ram)*
	Ms. Pramila Byahatti (Sister of Ms. Pratima Ram)*
	Ms. Poornima Jairaj (Sister of Ms. Pratima Ram)*
	Ms. Vijayalakshmi Patel (Sister of Ms. Pratima Ram)*
	Ms. Anushka Jayasankar (Daughter of Ms. Sumitha Nandan)*
	Ms. Aashirya Jayasankar (Daughter of Ms. Sumitha Nandan)*
	Ms. Aswathy Sreevatsan (Daughter of Adv. Veliath Pappu Seemandini)*
	Mr. Sumit Saseendran (Son in law of Adv. Veliath Pappu Seemandini)*
	Mr. V P Sugunan (Brother of Adv. Veliath Pappu Seemandini)*
	Ms. V P Lalitha (Sister of Adv. Veliath Pappu Seemandini)*
	Ms. V P Surabhi (Sister of Adv. Veliath Pappu Seemandini)*
	Ms. V P Geetha (Sister of Adv. Veliath Pappu Seemandini)*
	Ms. Maya V. V (Wife of Mr. Suseel Kumar T. C)*
	Mr. Gautam Suseel (Son of Mr. Suseel Kumar T. C)*
	Ms. Gayathri (Daughter of Mr. Suseel Kumar T. C)*
	Mr. Nikhil Shyam (Daughter's Husband of Mr. Suseel Kumar T. C)*
	Mr. Nanda Kumar (Brother of Mr. Suseel Kumar T. C)*
	Mr. Gopa Kumar (Brother of Mr. Suseel Kumar T. C)*
	Mr. Sanal Kumar (Brother of Mr. Suseel Kumar T. C)*
	Ms. Geetha Bhaskar (Sister of Mr. Suseel Kumar T. C)*
	Ms. Betsy Rajagopal (Wife of Mr. Sankaran Nair Rajagopal)*
	Mr. Rahul Raja (Son of Mr. Sankaran Nair Rajagopal)*
	Ms. Rhea Raja (Daughter of Mr. Sankaran Nair Rajagopal)*
	Mr. Venu P Gopal (Brother of Mr. Sankaran Nair Rajagopal)*
	Mr. Sreekumar (Brother of Mr. Sankaran Nair Rajagopal)*
	Mr. Shibu Kumar (Brother of Mr. Sankaran Nair Rajagopal)*

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Relationship	Name of the party
	Mr. P K Vydiar (Relative of Mr. E. K. Bharat Bhushan)*
	Ms. Rugmini (Relative of Mr. E. K. Bharat Bhushan)*
	Ms. Ranjana (Relative of Mr. E. K. Bharat Bhushan)*
	Mr. Virendra (Relative of Mr. E. K. Bharat Bhushan)*
	Ms. Parvathy (Relative of Mr. E. K. Bharat Bhushan)*
	Ms. Siji M G (Wife of Mr. Manoj Kumar V R)*
	Mr. V K Raman (Father of Mr. Manoj Kumar V R)*
	Ms. V K Vilasini (Mother of Mr. Manoj Kumar V R)*
	Mr. Harikrishna M Manoj (Son of Mr. Manoj Kumar V R)*
	Mr. Naveen Kumar V R (Brother of Mr. Manoj Kumar V R)*
	Mr. Praveen V R (Brother of Mr. Manoj Kumar V R)*
	Ms. Geetha V R (Sister of Mr. Manoj Kumar V R)*
	Mr. Benny (Husband of Mrs. Bindhu AL)*
	Ms. Rosily Lonappan (Mother of Mrs. Bindhu AL)*
	Mr. Amal Benny (Son of Mrs. Bindhu AL)*
	Ms. Anna Ben (Daughter of Mrs. Bindhu AL)*
	Mr. Biju A L (Brother of Mrs. Bindhu AL)*
	Mr. Nelson A L (Brother of Mrs. Bindhu AL)*

* No transactions with these related parties



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024

(All amounts are in millions, unless otherwise stated)

Related Party transactions during the year:

Particulars	PARENT (AS PER OWNERSHIP OR CONTROL)		SUBSIDIARIES		ASSOCIATES/ JOINT VENTURES		KEY MANAGEMENT PERSONNEL		RELATIVES OF KEY MANAGEMENT PERSONNEL		OTHERS		TOTAL		
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024
Investment in Subsidiary Company	-	-	3,112.83	2,452.98	-	-	-	-	-	-	-	-	-	3,112.83	2,452.98
Manappuram Home Finance Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Asirvad Micro Finance Limited	-	-	1,464.42	2,452.98	-	-	-	-	-	-	-	-	-	1,464.42	2,452.98
Manappuram Insurance Brokers Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Comptech And Consultants Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Asirvad Micro Finance Limited - Subordinate Debt	-	-	1,648.41	-	-	-	-	-	-	-	-	-	-	1,648.41	-
Purchase Of Fixed/Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale Of Fixed/Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Paid	-	-	4.94	761	-	-	-	-	-	-	-	-	-	4.94	761
Asirvad Micro Finance Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Home Finance Limited	-	-	4.94	761	-	-	-	-	-	-	-	-	-	4.94	761
Interest Received	-	-	58.35	7767	-	-	-	-	-	-	-	-	-	58.35	7767
Manappuram Home Finance Limited	-	-	-	157	-	-	-	-	-	-	-	-	-	10.56	157
Manappuram Asset Finance Limited	-	-	10.56	-	-	-	-	-	-	-	-	-	-	-	-
Spandana Sphoorty Financial Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Asirvad Micro Finance Limited	-	-	47.79	76.10	-	-	-	-	-	-	-	-	-	47.79	76.10
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sitting Fee To Directors:	-	-	-	-	-	-	7.58	5.58	-	-	-	-	-	7.58	5.58
Mr.Abhijit Sen	-	-	-	-	-	-	0.93	0.88	-	-	-	-	-	0.93	0.88
Mr.Harshan Kollara	-	-	-	-	-	-	1.02	1.02	-	-	-	-	-	1.02	1.02
Mr.P Manomohan	-	-	-	-	-	-	1.13	1.02	-	-	-	-	-	1.13	1.02
Mr.Shailesh J. Mehta	-	-	-	-	-	-	1.10	1.06	-	-	-	-	-	1.10	1.06
Mrs.Sutapa Banerjee	-	-	-	-	-	-	-	0.26	-	-	-	-	-	-	0.26
Mr.V.R. Ramachandran	-	-	-	-	-	-	0.78	0.76	-	-	-	-	-	0.78	0.76
Mr.Balesubrahmanian	-	-	-	-	-	-	0.57	0.34	-	-	-	-	-	0.57	0.34
Ms. Pratima	-	-	-	-	-	-	1.07	0.16	-	-	-	-	-	1.07	0.16
Ms. Seemadhini	-	-	-	-	-	-	0.74	0.08	-	-	-	-	-	0.74	0.08
Mr. T.C Suseel Kumar	-	-	-	-	-	-	0.12	-	-	-	-	-	-	0.12	-
Dr. Sankaran Nair Rajagopal	-	-	-	-	-	-	0.08	-	-	-	-	-	-	0.08	-
Mr.Edodijiti Kunhiraman Bharat Bhushan	-	-	-	-	-	-	0.04	-	-	-	-	-	-	0.04	-

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024

(All amounts are in millions, unless otherwise stated)

Particulars	PARENT (AS PER OWNERSHIP OR CONTROL)		SUBSIDIARIES		ASSOCIATES/ JOINT VENTURES		KEY MANAGEMENT PERSONNEL		RELATIVES OF KEY MANAGEMENT PERSONNEL		OTHERS		TOTAL			
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	
Commission Fee To Directors:																
Mr. V.P.Nandakumar	-	-	-	-	-	-	145.23	117.13	-	-	-	-	-	-	145.23	117.13
Mr. Shailesh J. Mehta	-	-	-	-	-	-	100.00	85.00	-	-	-	-	-	-	100.00	85.00
Mr. P. Manomohan	-	-	-	-	-	-	11.50	10.00	-	-	-	-	-	-	11.50	10.00
Mr. V.R. Ramachandran	-	-	-	-	-	-	3.10	2.80	-	-	-	-	-	-	3.10	2.80
Mrs. Sutapa Banerjee	-	-	-	-	-	-	4.70	4.20	-	-	-	-	-	-	4.70	4.20
Mr. Abhijit Sen	-	-	-	-	-	-	-	0.88	-	-	-	-	-	-	-	0.88
Mr. Harshan Kollara	-	-	-	-	-	-	5.40	5.10	-	-	-	-	-	-	5.40	5.10
Mr. Balasubrahmanian	-	-	-	-	-	-	3.90	3.50	-	-	-	-	-	-	3.90	3.50
Ms. Pratima Ram	-	-	-	-	-	-	3.10	2.80	-	-	-	-	-	-	3.10	2.80
Ms. V.P. Seemadini	-	-	-	-	-	-	3.10	1.40	-	-	-	-	-	-	3.10	1.40
Ms. Sumitha Nandan	-	-	-	-	-	-	3.10	0.70	-	-	-	-	-	-	3.10	0.70
Mr. T.C. Suseel Kumar	-	-	-	-	-	-	5.00	0.75	-	-	-	-	-	-	5.00	0.75
Dr. Sankaran Nair Rajagopal	-	-	-	-	-	-	1.29	-	-	-	-	-	-	-	1.29	-
Mr. Edodijit Kunhiraman Bharat Bhushan	-	-	-	-	-	-	0.78	-	-	-	-	-	-	-	0.78	-
Incentive							0.26	-	-	-	-	-	-	-	0.26	-
Mrs. Bindu AL - CFO	-	-	-	-	-	-	2.42	2.20	-	-	-	-	-	-	2.42	2.20
Remuneration To Directors							2.42	2.20	-	-	-	-	-	-	2.42	2.20
Mr. V.P.Nandakumar	-	-	-	-	-	-	117.34	103.78	-	-	-	-	-	-	117.34	103.78
Ms. Sumitha Nandan	-	-	-	-	-	-	106.88	101.25	-	-	-	-	-	-	106.88	101.25
Remuneration To Other Kmps							10.46	2.53	-	-	-	-	-	-	10.46	2.53
Ms. Bindu AL	-	-	-	-	-	-	18.98	15.69	-	-	-	-	-	-	18.98	15.69
Mr. Manoj Kumar V R	-	-	-	-	-	-	14.79	11.78	-	-	-	-	-	-	14.79	11.78
Remuneration Paid To Relative Of Kmp							4.20	3.91	-	-	-	-	-	-	4.20	3.91
Mr. Suhas Nandan	-	-	-	-	-	-	-	-	1.38	1.38	-	-	-	-	1.38	1.38
Travelling Expense Paid							-	-	-	-	-	-	-	-	-	-
Manappuram Travels	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent Waived	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Foundation							11.00	17.25	-	-	-	-	-	-	11.00	17.25
Transfer Of Vehicle (Donation)							11.00	17.25	-	-	-	-	-	-	11.00	17.25
Manappuram Foundation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CSR Paid							444.69	472.44	-	-	-	-	-	-	444.69	472.44
Manappuram Foundation	-	-	-	-	-	-	444.69	472.44	-	-	-	-	-	-	444.69	472.44



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Particulars	PARENT (AS PER OWNERSHIP OR CONTROL)			SUBSIDIARIES			ASSOCIATES/ JOINT VENTURES			KEY MANAGEMENT PERSONNEL			RELATIVES OF KEY MANAGEMENT PERSONNEL			OTHERS			TOTAL			
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	
	Payment To	-	-	-	-	222.92	199.82	-	-	-	-	-	-	-	-	-	-	-	-	222.92	199.82	-
Lions Co-Ordination Committee Of India Association	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Group Gratuity Trust(Approved)	-	-	-	-	222.92	199.82	-	-	-	-	-	-	-	-	-	-	-	-	222.92	199.82	-	-
Rent Paid	-	-	1.69	0.24	6.98	4.95	-	-	0.17	0.16	-	-	-	-	-	-	-	-	8.84	5.35	-	-
Mr. Suhas Nandan	-	-	-	-	-	-	-	-	0.17	0.16	-	-	-	-	-	-	-	-	0.17	0.16	-	-
Manappuram Agro Farms Limited	-	-	-	-	6.98	4.95	-	-	-	-	-	-	-	-	-	-	-	-	6.98	4.95	-	-
Asirvad Micro Finance Limited	-	-	1.69	0.24	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent Received	-	-	8.81	8.07	1.73	1.71	-	-	-	-	-	-	-	-	-	-	-	-	10.54	9.78	-	-
Manappuram Jewellers Limited	-	-	-	-	1.48	1.40	-	-	-	-	-	-	-	-	-	-	-	-	1.48	1.40	-	-
Manappuram Agro Farms Limited	-	-	-	-	0.25	0.31	-	-	-	-	-	-	-	-	-	-	-	-	0.25	0.31	-	-
Manappuram Insurance Brokers Limited	-	-	1.53	2.34	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.53	2.34	-	-
Manappuram Foundation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Comptech And Consultants Ltd	-	-	4.67	4.70	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.67	4.70	-	-
Asirvad Micro Finance Ltd.	-	-	2.61	1.03	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.61	1.03	-	-
Manappuram Foundation	-	-	0.001	0.001	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.001	0.001	-	-
Electricity Charge Received	-	-	0.39	0.41	0.51	0.50	-	-	-	-	-	-	-	-	-	-	-	-	0.90	0.91	-	-
Manappuram Jewellers Limited	-	-	-	-	0.43	0.40	-	-	-	-	-	-	-	-	-	-	-	-	0.43	0.40	-	-
Manappuram Insurance Brokers Limited	-	-	0.39	0.41	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.39	0.41	-	-
Manappuram Foundation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Agro Farms Limited	-	-	-	-	0.08	0.10	-	-	-	-	-	-	-	-	-	-	-	-	0.08	0.10	-	-
Purchase Of Assets & Others	-	-	-	-	0.88	0.10	-	-	-	-	-	-	-	-	-	-	-	-	0.88	0.10	-	-
Manappuram Comptech And Consultants Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Foundation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Agro Farms Limited (Purchase Of Land)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subscription Fee Paid	-	-	-	-	-	0.05	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.05
Finance Industry Development Council	-	-	-	-	0.10	0.05	-	-	-	-	-	-	-	-	-	-	-	-	0.10	0.05	-	-
Federation of Indian Chambers of Commerce & Industry	-	-	-	-	0.78	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.78	-	-
Advertisement Expense	-	-	-	-	2.56	0.70	-	-	-	-	-	-	-	-	-	-	-	-	2.56	0.70	-	-
Finance Industry Development Council	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Notes

 to Standalone Financial Statements for the Year ended 31st March, 2024

(All amounts are in millions, unless otherwise stated)

Particulars	PARENT (AS PER OWNERSHIP OR CONTROL)		SUBSIDIARIES		ASSOCIATES/ JOINT VENTURES		KEY MANAGEMENT PERSONNEL		RELATIVES OF KEY MANAGEMENT PERSONNEL		OTHERS		TOTAL		
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024
Lions Co-Ordination Committee Of India Association	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Federation Of Indian Chambers Of Commerce & Industry(Fricci)	-	-	-	0.70	2.53	-	-	-	-	-	-	-	-	-	2.53
Masters Games Association	-	-	-	-	0.03	-	-	-	-	-	-	-	-	-	0.03
Rent & Other Income Received	-	-	18.06	18.64	-	-	-	-	-	-	-	-	-	-	18.06
Manappuram Home Finance Limited	-	-	8.65	17.23	-	-	-	-	-	-	-	-	-	-	8.65
Manappuram Foundation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Agro Farms Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Comptech And Consultants Ltd	-	-	1.81	1.38	-	-	-	-	-	-	-	-	-	-	1.81
Asirvad Micro Finance Limited	-	-	7.60	0.03	-	-	-	-	-	-	-	-	-	-	7.60
Reimbursement Expense Paid	-	-	-	-	-	-	0.80	0.73	-	-	-	-	-	-	0.80
Mr. VP Nandakumar	-	-	-	-	-	-	0.80	0.73	-	-	-	-	-	-	0.80
Ms. Sumitha Nandan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Education And Training Services Provided	-	-	6.96	7.51	0.67	3.73	-	-	-	-	-	-	-	-	7.63
Manappuram Jewellers Limited	-	-	-	-	0.11	0.44	-	-	-	-	-	-	-	-	0.11
Manappuram Insurance Brokers Limited	-	-	0.02	0.65	-	-	-	-	-	-	-	-	-	-	0.02
Asirvad Micro Finance Limited	-	-	6.08	6.31	-	-	-	-	-	-	-	-	-	-	6.08
Maben Nidhi Limited	-	-	-	-	0.14	0.67	-	-	-	-	-	-	-	-	0.14
Manappuram Asset Finance Limited	-	-	-	-	0.26	0.61	-	-	-	-	-	-	-	-	0.26
Manappuram Chits India Limited	-	-	-	-	0.04	0.41	-	-	-	-	-	-	-	-	0.04
Manappuram Comptech And Consultants Ltd	-	-	0.18	0.55	-	-	-	-	-	-	-	-	-	-	0.18
Manappuram Agro Farms Limited	-	-	-	-	0.04	0.86	-	-	-	-	-	-	-	-	0.04
Manappuram Health Care Ltd	-	-	-	-	0.08	0.74	-	-	-	-	-	-	-	-	0.08
Manappuram Home Finance Limited	-	-	0.68	-	-	-	-	-	-	-	-	-	-	-	0.68
Education And Training Services Provided in FY 2022-23 Received in FY 2023-24	-	-	-	-	1.17	-	-	-	-	-	-	-	-	-	1.17
Manappuram Agro Farms Limited	-	-	-	-	0.43	-	-	-	-	-	-	-	-	-	0.43
Manappuram Health Care Ltd	-	-	-	-	0.74	-	-	-	-	-	-	-	-	-	0.74
Technical Charges Paid	-	-	185.03	178.84	-	-	-	-	-	-	-	-	-	-	185.03
Manappuram Comptech And Consultants Ltd	-	-	185.03	178.84	-	-	-	-	-	-	-	-	-	-	185.03



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Particulars	PARENT (AS PER OWNERSHIP OR CONTROL)		SUBSIDIARIES		ASSOCIATES/ JOINT VENTURES		KEY MANAGEMENT PERSONNEL		RELATIVES OF KEY MANAGEMENT PERSONNEL		OTHERS		TOTAL	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	
Other Expenses Paid	-	-	0.21	0.02	-	-	-	-	-	-	-	-	0.21	0.02
Manappuram Agro Farms Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Comptech And Consultants Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Home Finance Limited	-	-	0.21	0.02	-	-	-	-	-	-	-	-	0.21	0.02
Manappuram Construction And Consultants Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Health Care Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maintenance And Repairs Paid	-	-	3.59	0.54	-	-	-	-	-	-	-	-	3.59	0.54
Manappuram Comptech And Consultants Ltd	-	-	3.59	0.54	-	-	-	-	-	-	-	-	3.59	0.54
Manappuram Construction And Consultants Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commission Expense On Money Transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Asset Finance Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Staff Welfare Expenses Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Health Care Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adlux Medicity And Convention Centre Private Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Incentive Paid	-	-	-	0.18	-	-	-	-	-	-	-	-	-	0.18
Asirvad Micro Finance Limited	-	-	-	0.18	-	-	-	-	-	-	-	-	-	0.18
Construction Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Construction And Consultants Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Monthly Usage Charges Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Comptech And Consultants Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Money Transfer - Principal Amount Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Asset Finance Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount Paid To	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Finance Staff Welfare Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gratuity Transferred	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Asirvad Micro Finance Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Comptech And Consultants Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Insurance Brokers Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Jewellers Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Foundation	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Notes

 to Standalone Financial Statements for the Year ended 31st March, 2024

(All amounts are in millions, unless otherwise stated)

Particulars	PARENT (AS PER OWNERSHIP OR CONTROL)		SUBSIDIARIES		ASSOCIATES/ JOINT VENTURES		KEY MANAGEMENT PERSONNEL		RELATIVES OF KEY MANAGEMENT PERSONNEL		OTHERS		TOTAL	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	
Manappuram Foundation - Mukundapuram	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Home Finance Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend Income Received	-	-	150.00	80.38	-	-	-	-	-	-	-	-	150.00	80.38
Manappuram Insurance Brokers Limited	-	-	150.00	80.38	-	-	-	-	-	-	-	-	150.00	80.38
Corporate Loan Given To	-	-	1,700.00	1,450.00	-	-	-	-	-	-	-	-	1,700.00	1,450.00
Manappuram Home Finance Limited	-	-	500.00	150.00	-	-	-	-	-	-	-	-	500.00	150.00
Asirvad Micro Finance Limited	-	-	1,200.00	1,300.00	-	-	-	-	-	-	-	-	1,200.00	1,300.00
Corporate Loan Given To Related Party Of Subsidiary	-	-	-	-	-	-	-	-	-	-	-	150.00	-	150.00
Svasti Microfinance Pvt Ltd	-	-	-	-	-	-	-	-	-	-	-	150.00	-	150.00
Principal And Interest Repayment	-	-	-	-	-	-	-	-	-	-	-	43.52	-	43.52
Svasti Microfinance Pvt Ltd	-	-	-	-	-	-	-	-	-	-	-	43.52	-	43.52
Repayment Of Corporate Loan From	-	-	3,000.00	150.00	-	-	-	-	-	-	-	-	3,000.00	150.00
Manappuram Home Finance Limited	-	-	500.00	150.00	-	-	-	-	-	-	-	-	500.00	150.00
Asirvad Micro Finance Limited	-	-	2,500.00	-	-	-	-	-	-	-	-	-	2,500.00	-
Principal Repayment On Assignment Transaction	-	-	13.37	15.76	-	-	-	-	-	-	-	-	13.37	15.76
Manappuram Home Finance Limited	-	-	13.37	15.76	-	-	-	-	-	-	-	-	13.37	15.76
Balance Outstanding As At The Year End:	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security Deposit	-	-	4.76	1.03	0.39	0.39	-	-	-	-	-	-	5.15	1.42
Manappuram Foundation	-	-	-	-	0.19	0.19	-	-	-	-	-	-	0.19	0.19
Manappuram Jewellers Limited	-	-	-	-	0.16	0.16	-	-	-	-	-	-	0.16	0.16
Manappuram Agro Farms Limited	-	-	-	-	0.04	0.04	-	-	-	-	-	-	0.04	0.04
Manappuram Insurance Brokers Limited	-	-	0.54	1.03	-	-	-	-	-	-	-	-	0.54	1.03
Indirect Related Party Transaction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Insurance Brokers Limited	-	-	4.22	-	-	-	-	-	-	-	-	-	4.22	-
Corporate Loan Outstanding	-	-	-	1,300.00	-	-	-	-	-	-	-	150.00	-	1,450.00
Manappuram Home Finance Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Spendana Sphoorty Financial Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Svasti Microfinance Pvt Ltd	-	-	-	-	-	-	-	-	-	-	-	150.00	-	150.00
Asirvad Micro Finance Limited	-	-	-	1,300.00	-	-	-	-	-	-	-	-	-	1,300.00
Corporate Loan Outstanding - Secured Undrawn line of Credit	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Home Finance Limited	-	-	1,500.00	1,500.00	-	-	-	-	-	-	-	-	1,500.00	1,500.00



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024

(All amounts are in millions, unless otherwise stated)

Particulars	PARENT (AS PER OWNERSHIP OR CONTROL)			SUBSIDIARIES			ASSOCIATES/ JOINT VENTURES			KEY MANAGEMENT PERSONNEL			RELATIVES OF KEY MANAGEMENT PERSONNEL			OTHERS			TOTAL		
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024		
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024		
Asirvad Micro Finance Limited	-	2,500.00	2,500.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,500.00	2,500.00		
Maximum amount outstanding during the year																					
Manappuram Home Finance Limited	-	500.00	1,500.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	500.00	1,500.00		
Asirvad Micro Finance Limited	-	2,500.00	1,300.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,500.00	1,300.00		
Investment Outstanding																					
Manappuram Home Finance Limited	-	2,072.90	2,072.90	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,072.90	2,072.90		
Asirvad Micro Finance Limited	-	10,777.57	9,313.15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,777.57	9,313.15		
Manappuram Insurance Brokers Limited	-	26.11	26.11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	26.11	26.11		
Manappuram Comptech And Consultants Ltd	-	59.50	59.50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	59.50	59.50		
Subordinated Debt in Asirvad Micro Finance Limited	-	1,648.41	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,648.41	-		
Advance for investment in subsidiary - Manappuram Comptech and Consultants Ltd.	-	0.37	0.37	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.37	0.37		
Investment - Maximum Amount Outstanding during the year																					
Manappuram Home Finance Limited	-	2,072.90	2,072.90	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,072.90	2,072.90		
Asirvad Micro Finance Limited	-	10,777.57	9,313.15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,777.57	9,313.15		
Manappuram Insurance Brokers Limited	-	26.11	26.11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	26.11	26.11		
Manappuram Comptech And Consultants Ltd	-	59.50	59.50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	59.50	59.50		
Subordinated Debt in Asirvad Micro Finance Ltd	-	1,648.41	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,648.41	-		
Advance for investment in subsidiary - Manappuram Comptech and Consultants Ltd.	-	0.37	0.37	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.37	0.37		
Amounts Payable (Net) To Related Parties																					
Mr. V.P.Nandekumar	-	17.31	17.16	0.86	4.09	147.75	119.96	0.01	-	-	-	-	-	-	-	-	-	165.93	141.21		
Mr. Abhijit Sen	-	-	-	-	-	100.00	85.00	-	-	-	-	-	-	-	-	-	-	100.00	85.00		
Mr. Harshan Kollara	-	-	-	-	-	5.40	5.20	-	-	-	-	-	-	-	-	-	-	5.40	5.20		
Mr. P. Manomohan	-	-	-	-	-	3.90	3.62	-	-	-	-	-	-	-	-	-	-	3.90	3.62		
Mr. Shailesh J. Mehta	-	-	-	-	-	3.12	2.90	-	-	-	-	-	-	-	-	-	-	3.12	2.90		
Mrs. Sutapa Banerjee	-	-	-	-	-	11.50	10.12	-	-	-	-	-	-	-	-	-	-	11.50	10.12		
Mr. V.R. Ramachandran	-	-	-	-	-	4.72	4.27	-	-	-	-	-	-	-	-	-	-	4.72	4.27		
Mr. Balasubrahmanian	-	-	-	-	-	3.10	2.84	-	-	-	-	-	-	-	-	-	-	3.10	2.84		
Mr. Suhas Nandan	-	-	-	-	-	-	-	0.01	-	-	-	-	-	-	-	-	-	0.01	-		
Ms. Sumitha Nandan	-	-	-	-	-	5.00	0.75	-	-	-	-	-	-	-	-	-	-	5.00	0.75		

Notes

 to Standalone Financial Statements for the Year ended 31st March, 2024

(All amounts are in millions, unless otherwise stated)

Particulars	PARENT (AS PER OWNERSHIP OR CONTROL)		SUBSIDIARIES		ASSOCIATES/ JOINT VENTURES		KEY MANAGEMENT PERSONNEL		RELATIVES OF KEY MANAGEMENT PERSONNEL		OTHERS		TOTAL	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	
	Pratima	-	-	-	-	-	1,44	-	-	-	-	-	-	3,12
V.P. Seemadini	-	-	-	-	-	0,74	-	-	-	-	-	-	3,10	0,74
Mr. T.C. Suseel Kumar	-	-	-	-	-	-	1,29	-	-	-	-	-	1,29	-
Dr. Sankaran Nair Rajagopal	-	-	-	-	-	-	0,78	-	-	-	-	-	0,78	-
Mr. Edodijiti Kunhiraman Bharat Bhushan	-	-	-	-	-	-	0,30	-	-	-	-	-	0,30	-
Manappuram Comptech And Consultants Ltd	-	14,26	-	14,14	-	-	-	-	-	-	-	-	14,26	14,14
Manappuram Construction And Consultants Limited	-	-	-	-	0,38	3,90	-	-	-	-	-	-	0,38	3,90
Manappuram Insurance Brokers Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Travels	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Asirvad Micro Finance Limited	-	-	0,24	-	-	-	-	-	-	-	-	-	-	0,24
Manappuram Home Finance Limited	-	-	3,05	2,78	-	-	-	-	-	-	-	-	3,05	2,78
Manappuram Agro Farms Limited	-	-	-	-	0,48	0,19	-	-	-	-	-	-	0,48	0,19
Manappuram Finance Staff Welfare Trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ms. Bindu A.L.	-	-	-	-	-	2,20	-	2,42	-	-	-	-	2,42	2,20

Note:

- Related parties have been identified on the basis of the declaration received by the management and other records available.
- Loans given to related parties are repayable on demand. These loans carry interest @ 11.15%
- Audit Committee Meeting held on 06.02.2024, granted approval of unsecured loan to Asirvad Micro Finance Limited upto ₹ 250 Crores (₹ 130 Crores @ 9.25% in FY 2022-23 & ₹ 120 Crores @ 9.75% in FY 2023-24) and granted approval of unsecured loan to Manappuram Home Finance Limited ₹ 150 Crores @ 9.40% which are repayable after 12 months from the date of disbursement.
- The loans have been utilised by the Manappuram Home Finance Limited for lending Home Loan and meeting the working capital requirements.
- Manappuram Home Finance Limited has used the loan for meeting the working capital requirements.
- The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.
- Investment in Subordinate debt of Asirvad Micro Finance Limited carry interest @ 11.25%.



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 43: Capital

Capital Management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

The Company's debt equity ratio as on 31st March 2024 stands at 2.17 times (2.14 times as at 31 March 2023).

During the year ended March 31, 2024, the Company has paid the interim dividend of ₹3.3/- per equity share for the year ended March 31, 2024 amounting to ₹2793.18 Mn (3 per equity share amounting to ₹ 2539.18 Mn for the year ended March 31 2023.)

Regulatory capital	As at 31 March 2024	As at 31 March 2023
Common Equity Tier1 (CET1) capital	96,645.14	84,039.81
Other Tier 2 capital instruments	-	-
Total capital	96,645.14	84,039.81
Amount of subordinated debt raised as Tier-II Capital	-	-
Amount raised by issue of Perpetual Debt Instrument	-	-
Risk weighted assets	3,16,042.93	2,65,129.52
CET1 capital ratio	30.58%	31.70%
CET2 capital ratio	0.00%	0.00%
Total capital ratio	30.58%	31.70%

Note 44: Fair Value Measurement

44.1 Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

44.2 Valuation governance

The Company's process to determine fair values is part of its periodic financial close process. The Audit Committee exercises the overall supervision over the methodology and models to determine the fair value as part of its overall monitoring of financial close process and controls. The responsibility of ongoing measurement resides with business units. Once submitted, fair value estimates are also reviewed and challenged by the Risk and Finance functions.

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

44.3 Assets and liabilities by fair value hierarchy

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

Particulars	31 March 2024				31 March 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis								
Derivative financial instruments	-	-	-	-	-	-	-	-
Cross Currency Swaps	-	8.33	-	8.33	-	-	-	-
Forward Rate Agreements	-	-	-	-	-	-	-	-
Total derivative financial instruments	-	8.33	-	8.33	-	-	-	-
Financial investments								
Equity Shares	0.36	-	-	0.36	0.25	-	-	0.25
Total financial investments	0.36	-	-	0.36	0.25	-	-	0.25
Total assets measured at fair value on a recurring basis	0.36	8.33	-	8.70	0.25	-	-	0.25
Assets measured at fair value on a non-recurring basis	-	-	-	-	-	-	-	-
Liabilities measured at fair value on a recurring basis								
Derivative financial instruments								
Forward contracts	-	(118.55)	-	(118.55)	-	(32.85)	-	(32.85)
Cross Currency Swaps	-	-	-	-	-	-	-	-
Total derivative financial instruments	-	(118.55)	-	(118.55)	-	(32.85)	-	(32.85)
Liabilities measured at fair value on a non-recurring basis	-	(118.55)	-	(118.55)	-	(32.85)	-	(32.85)

44.4 Valuation techniques

Equity instruments

Equity instruments in non-listed entities are initially recognised at transaction price and re-measured (to the extent information is available) and valued on a case-by-case and classified as Level 3. The Company uses prices from prior transactions without adjustment to arrive at the fair value. Prior transaction represents the price at which same investment was sold in the deal transaction..

Cross Currency Swaps

Interest rate derivatives include interest rate swaps, cross currency interest rate swaps, basis swaps and interest rate forwards (FRAs). The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations by estimating future cash flows and discounting them with the appropriate yield curves incorporating funding costs relevant for the position. These contracts are generally Level 2 unless adjustments to yield curves or credit spreads are based on significant non-observable inputs, in which case, they are Level 3.

Interest rate derivatives

Interest rate derivatives include interest rate swaps, cross currency interest rate swaps, basis swaps and interest rate forwards (FRAs). The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations by estimating future cash flows and discounting them with the appropriate yield curves incorporating funding costs relevant for the position. These contracts are generally Level 2 unless adjustments to yield curves or credit spreads are based on significant non-observable inputs, in which case, they are Level 3.

Foreign exchange contracts

Foreign exchange contracts include open spot contracts, foreign exchange forward and swap contracts and over the-counter foreign exchange options. These instruments are valued by either observable foreign exchange rates, observable or calculated forward points



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

and option valuation models. With the exception of contracts where a directly observable rate is available which are disclosed as Level 1, the Company classifies foreign exchange contracts as Level 2 financial instruments when no unobservable inputs are used for their valuation or the unobservable inputs used are not significant to the measurement (as a whole).

Movements in Level 3 financial instruments measured at fair value

There are no Level 3 financial assets and liabilities which are recorded at fair value.

The carrying value and fair value of financial instruments by categories are as follows:

Particulars	Level	Carrying Value		Fair Value	
		31 March 2024	31 March 2023	31 March 2024	31 March 2023
Financial assets					
Cash and cash equivalents	2	15,293.86	18,727.00	15,293.86	18,727.00
Bank Balance other than above	2	2,073.64	2,068.02	2,073.64	2,068.02
Loans	3	2,91,384.58	2,45,584.02	2,91,384.58	2,45,584.02
Investments	3	14,584.86	11,472.04	14,584.86	11,472.04
Investments	1	3,070.85	3,070.30	2,928.59	2,928.28
Other Financial assets	2	2,910.84	2,095.04	2,910.84	2,095.04
Total financial assets		3,29,318.64	2,83,016.41	3,29,176.37	2,82,874.40
Financial Liabilities					
Derivative financial instruments	2	110.22	32.85	110.22	32.85
Payables	2	1,066.26	961.75	1,066.26	961.75
Debt Securities	2	44,339.81	49,608.07	44,339.81	49,608.07
Borrowings (other than debt security)	2	1,80,328.51	1,42,685.00	1,80,328.51	1,42,685.00
Subordinated Liabilities	2	-	-	-	-
Lease Liability	2	5,339.14	5,743.43	5,339.14	5,743.43
Other Financial liabilities	2	2,541.02	2,569.47	2,541.02	2,569.47
Financial Liabilities		2,33,724.95	2,01,600.57	2,33,724.96	2,01,600.57

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the financial statements. These fair values were calculated for disclosure purposes only.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and balances, balances other than cash and cash equivalents, trade payables and other financial liabilities without a specific maturity. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.

Loans and advances to customers

Fair value of Loans estimated using a discounted cash flow model on contractual cash flows using actual/estimated yields.

Borrowings

The floating rate loans are fair valued on the basis of MCLR+spread. For fixed rate loans, the carrying values are a reasonable approximation of their fair value.

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 45: Risk Management

Risk is an integral part of the Company's business and sound risk management is critical to the success. As a financial institution, the Company is exposed to risks that are particular to its lending and the environment within which it operates and primarily includes Credit, Liquidity, Market and Operational Risks. Company's goal in risk management is to ensure that it understands measures and monitors the various risks that arise and the organization adheres strictly to the policies and procedures which are established to address these risks. The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The Board of Directors of the company are responsible for the overall risk management approach, approving risk management strategies and principles. Risk Management Committee of the Board reviews credit, operations and market risks faced by MAFIL periodically. Company has appointed a Chief Credit Officer who reports to MD & CEO and presenting risk related matters to Risk Management Committee and the Board.

The Company has implemented comprehensive policies and procedures to assess, monitor and manage risk throughout the Company. The risk management process is continuously reviewed, improved and adapted in the changing risk scenario and the agility of the risk management process is monitored and reviewed for its appropriateness in the changing risk landscape. The process of continuous evaluation of risks includes taking stock of the risk landscape on an event-driven basis.

The Company has an elaborate process for risk management. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

Credit Risk

Credit risk is the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Company. As the company predominantly lend against gold jewellery, which are liquid securities, its credit risks are comparatively lower. Its other verticals, Micro Finance, Vehicle Finance, Micro loans etc have significant credit risk.

Appraisal Risk: The borrowers are awarded risk grades and only eligible borrowers are financed. Besides continuous training of employees through digital media, Credit officers are imparted on the job and class room training on a continuous basis. Credit appraisal processes are being reviewed regularly by Credit Monitoring teams and credit auditors and more risk filters are added whenever necessary.

Collection risk: As the gold ornaments are liquid, collection in gold portfolio attaches minimal risks. We have developed a team of trained Relationship Managers and sales staff for continuous engagement with the borrowers under verticals like Micro Finance, Vehicle Finance, Housing loans, Micro loans etc to ensure timely payment of their dues. Collection efficiency of verticals are being monitored closely by the Senior Management.

Concentration risk: As on 31/03/2024, our gold loan portfolio is 64% of our consolidated AUM. Gold loans are granted against liquid securities for short period which substantially insulates from credit risk and liquidity risk. We have already diversified into Micro Finance, Home Finance, Commercial Vehicles and budget to grow the new verticals so as to contain our exposure to gold to 50% of the total AUM in ten years.

Our geographical presence is largely in the southern India. We are now giving thrust for opening new branches in north and north eastern states which have high growth potentials. A geographical exposure limit will be fixed when operations of the new branches are stabilised.

The credit risk management policy of the Company seeks to have following controls and key metrics that allows credit risks to be identified, assessed, monitored and reported in a timely and efficient manner in compliance with regulatory requirements.

- Standardize the process of identifying new risks and designing appropriate controls for these risks.
- Maintain an appropriate credit administration and loan review system.
- Establish metrics for portfolio monitoring.
- Minimize losses due to defaults or untimely payments by borrowers.
- Design appropriate credit risk mitigation techniques.



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

In order to mitigate the impact of credit risk in the future profitability, the company makes reserves basis the expected credit loss (ECL) model for the outstanding loans as balance sheet date.

The below discussion describes the Company's approach for assessing impairment as stated in the significant accounting policies.

The Company considers a financial instrument defaulted and therefore Stage 3 (credit impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

Exposure at Default (EAD)

The outstanding balance at the reporting date adjusted for subsequent realisations in the case of Gold Loan, is considered as EAD by the Company. Considering that the PD determined above factors in amount at default, there is no separate requirement to estimate EAD.

The Company uses historical information where available to determine PD. Considering the different products and schemes, the Company has bifurcated its loan portfolio into various pools. For certain pools where historical information is available, the PD is calculated using Incremental NPA approach considering fresh slippage of past 6 years. For those pools where historical information is not available, the PD rates as stated by external reporting agencies is considered.

While estimating the expected credit loss, the company reviews macro-economic developments occurring in the economy and the market it operates in. Forward looking information is considered in addition to historical default rates to assess the probability of default for Stage 1 and Stage 2 of Loan contracts since it's initial recognition and its measurement of ECL. Accordingly, the company has assessed that the macro-economic variables that may impact credit risk are GDP growth, Interest and Inflation rates, Unemployment rates etc. Post management overlay, the PD percentages are mentioned below:

Segment/Portfolio	31 March 2024			31 March 2023		
	Stage I	Stage II*	Stage III	Stage I	Stage II	Stage III
1) Gold Loan-Normal risk**	12.97%	12.97%	100.00%	15.54%	15.54%	100.00%
2) Vehicle Loan						
CV	6.06%	14.63%	100.00%	5.81%	12.09%	100.00%
BUS	8.92%	17.02%	100.00%	8.38%	14.66%	100.00%
FE	3.79%	13.89%	100.00%	2.49%	7.29%	100.00%
CAR/AUTO	4.10%	11.12%	100.00%	3.76%	9.01%	100.00%
TW	7.55%	12.31%	100.00%	6.61%	8.02%	100.00%
3) SME Loan	5.68%	14.48%	100.00%	6.93%	23.49%	100.00%

4) Onlending, Corporate Finance and Project and Industrial Finance Loan, external ratings or internal evaluation with a management overlay for each customer.

5) Personal Loans and other verticals, external ratings or internal evaluation with a management overlay for each customer industry segment.

* Excluding restructured loans, where in Vehicle loan Stage II restructured loans for CV -65%, BUS -63% and CAR - 100% as at March 31, 2024.

** Excludes portfolio where PD has been considered at 100%

In case of Gold loans, incremental NPA is considered after taking into account auctions during the year since such cases are auctioned and total dues are recovered even before the account turns NPA..

Loss Given Default

The Company determines its recovery rates by analysing the recovery trends over different periods of time after a loan has defaulted. Based on its analysis of historical trends, homogenous nature of the loans etc, the Company has assessed that significant recoveries

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

happen in the year in which default has occurred. Recoveries from all the phases like normal collections, auction collections, repossession sale as well as expected realization from collateral are considered while computing the LGD rates for each loan portfolio. For different stages such as stage 1, stage 2 & stage 3 portfolios, we are applying same LGD rate except in case of loss assets and unsecured loans in stage 3 which is at 100%.

Segment/Portfolio	31 March 2024	31 March 2023
1) Gold Loan*	2.94%	3.04%
2) Vehicle Loan		
CV	15.79%	16.07%
BUS	16.22%	18.61%
FE	13.73%	13.01%
CAR/AUTO	9.98%	10.80%
TW	22.65%	23.95%
3) SME Loan	27.18%	67.99%
4) Onlending	60%	60%
5) Corporate Finance	100%	100%

In all classified 'Loss Assets', LGD has been considered as 100%.

*In case of Gold Loan the Loan To Value(LTV), at the time of disbursement is below 75% (As per the RBI norms) and the remaining value (25%) of asset held by the company acts as a margin of safety, protecting the company against volatility in asset price. LTV is one of the factor for gradation of risk. Also it reflects in the fixing of interest rates of each type of loans/ schemes. Normally fixing higher interest rate for loans having higher LTV% and vice versa.

LGD Rates have been computed internally based on the discounted recoveries in NPA accounts that are closed/ written off/ repossessed and upgraded during the year. LGD rates for SME, corporate loans and other loans is considered based on proxy FIRB rates for secured loans.

In estimating LGD, the company reviews macro-economic developments taking place in the economy. Based on internal evaluation, company has provided a management overlay in LGD computed for Vehicle and SME portfolios.

The Company has applied management overlays to the ECL Model to consider the impact of the Covid-19 pandemic on the provision. The adjustment to the probability of default has been assessed considering the likelihood of increased credit risk and consequential default due to the pandemic. The impact on collateral values is also assessed for determination of adjustment to the loss given default and reasonable haircuts are applied wherever necessary. The number of days past due shall exclude the moratorium period for the purposes of asset classification as per the Company's policy

As per the RBI guidelines, the ECL policy has been approved by Audit Committee and the Board. Modifications to the ECL model, if any, is approved by the Board. As part of the management overlays, as per the approved ECL policy, the management has adjusted the underlying PD as mentioned above and in case of corporate loan by downgrading the ratings to one level lower) and LGD as computed by ECL Model as mentioned above depending on the nature of the portfolio/borrower, the management's estimate of the future stress and risk and available market information. Refer note 5.2(vii) to the financial statements.

Asset & Liability management

Asset and Liability Management (ALM) is defined as the practice of managing risks arising due to mismatches in the asset and liabilities. Company's funding consists of both long term as well as short term sources with different maturity patterns and varying interest rates. On the other hand, the asset book also comprises of loans of different duration and interest rates. Maturity mismatches are therefore common and has an impact on the liquidity and profitability of the company. It is necessary for Company's to monitor and manage the assets and liabilities in such a manner to minimize mismatches and keep them within reasonable limits.

The objective of this policy is to create an institutional mechanism to compute and monitor periodically the maturity pattern of the various liabilities and assets of Company to (a) ascertain in percentage terms the nature and extent of mismatch in different maturity buckets, especially the 1-30/31days bucket, which would indicate the structural liquidity (b) the extent and nature of cumulative



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

mismatch in different buckets indicative of short term dynamic liquidity and © the residual maturity pattern of repricing of assets and liabilities which would show the likely impact of movement of interest rate in either direction on profitability. This policy will guide the ALM system in Company.

The scope of ALM function can be described as follows:

- Liquidity risk management
- Management of market risks
- Others

Liquidity Risk

Liquidity risk refers to the risk that the Company may not meet its financial obligations. Liquidity risk arises due to the unavailability of adequate funds at an appropriate cost or tenure. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generates sufficient cash flows from operating and financial activities to meet its financial obligations as and when they fall due. Our resource mobilisation team sources funds from multiple sources, including from banks, financial institutions and capital markets to maintain a healthy mix of sources. The resource mobilisation team is responsible for diversifying fund raising sources, managing interest rate risks and maintaining a strong relationship with banks, financial institutions, mutual funds, insurance companies, other domestic and foreign financial institutions and rating agencies to ensure the liquidity risk is well addressed.

The table below provide details regarding the contractual maturities of significant financial assets and liabilities as on:-

Maturity pattern of assets and liabilities as on 31 March 2024

Particulars	0 to 7 days	8 to 14 days	Over 14 days to one month	Over one month to 2 months	Over 2 months to 3 months	Over 3 Months upto 6 months	Over 6 Months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Borrowings	1,876.62	1,994.60	1,780.10	14,077.43	41,367.38	30,199.46	26,579.58	38,207.33	12,175.70	-	1,68,258.20
Foreign Currency Term Loan	-	-	-	-	909.10	909.10	2,234.10	5,045.93	2,972.08	-	12,070.32
Debt Security	-	-	1,057.62	-	8,357.10	1,139.53	6,791.35	11,911.84	3,000.00	12,082.38	44,339.81
Subordinated Debts	-	-	-	-	-	-	-	-	-	-	-
Advances	741.65	734.42	3,682.32	22,520.86	14,160.04	35,407.63	1,60,346.01	32,910.43	17,479.44	3,401.77	2,91,384.58
Investments	-	-	-	30.90	23.49	-	-	3,016.10	-	14,585.22	17,655.71

Maturity pattern of assets and liabilities as on 31 March 2023

Particulars	0 to 7 days	8 to 14 days	Over 14 days to one month	Over one month to 2 months	Over 2 months to 3 months	Over 3 Months upto 6 months	Over 6 Months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Borrowings	2,006.72	10,450.00	2,162.52	15,477.63	28,073.88	12,311.60	18,456.98	40,369.51	6,119.63	-	1,35,428.46
Foreign Currency Term Loan	-	-	-	-	910.00	910.00	1,820.00	3,616.52	-	-	7,256.52
Debt Security	1.98	-	122.10	1,080.36	5,377.73	175.29	15,919.74	10,345.53	4,702.71	11,882.63	49,608.07
Subordinated Debts	-	-	-	-	-	-	-	-	-	-	-
Advances	2,626.19	6,155.16	12,732.45	15,663.98	16,147.32	1,13,955.82	41,521.39	22,536.59	9,006.30	5,238.83	2,45,584.02
Investments	-	-	-	30.69	23.27	-	-	3,016.10	-	11,472.28	14,542.34

*Amount represents net balance after the adjustments on account of Indian Accounting Standards

Market Risk

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity, and other market changes. The Company is exposed to three types of market risk as follows:

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Foreign Exchange Risk (FX Risk)

Forex Risk is a risk that exists when a financial transaction is denominated in a currency other than the domestic currency of the company. Any appreciation/depreciation of the base currency or the depreciation/appreciation of the denominated currency will affect the cash flows emanating from that transaction. The company has fully hedged the forex risk by derivative instruments.

Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

We are subject to interest rate risk, principally because we lend to clients at fixed interest rates and for periods that may differ from our funding sources, while our borrowings are at both fixed and variable interest rates for different periods. We assess and manage our interest rate risk by managing our assets and liabilities. Our Asset Liability Management Committee evaluates asset liability management, and ensures that all significant mismatches, if any, are being managed appropriately.

The Company has Board Approved Asset Liability Management (ALM) policy for managing interest rate risk and policy for determining the interest rate to be charged on the loans given.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of borrowings affected. With all other variables held constant, the profit before taxes affected through the impact on floating rate borrowings, as follows:

Finance Cost	31 st March, 2024	31 st March, 2023
0.5% Increase	1,117.03	953.87

Price Risk

The Company's exposure to price risk is not material. The drop in gold prices is unlikely to have a significant impact on asset quality of the company since the disbursement LTV is below 75% and average portfolio LTV as on the reporting period was 62% to 65% only. However the sustained decrease in market price may cause for decrease in the size of our Gold Loan Portfolio and the interest income. Management monitors the gold prices and other loans on regular basis.

Operational and business risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit. A Risk Management Committee comprising representatives of the Senior Management, reviews matters relating to operational and business risk, including corrective and remedial actions as regards people and processes.

Note 46: Expenditure in foreign currency

Particulars	As at 31 March 2024	As at 31 March 2023
Expense in connection with US Dollar Bond issue	-	-
Surveillance and Trustee Fees	42.43	88.00
Bank Charges & Interest	104.09	-
Travelling expenses	0.15	-
Training expenses	-	0.03
Meeting expenses	-	-
Advertisement expenses	-	0.40
Software Expenses	-	-
Membership & Other Fees	6.32	-
Total	152.99	88.43



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 47: Loans and advances in the nature of loans given to subsidiaries and associates and firms/ companies in which directors are interested

Loan given to wholly owned subsidiary:

a) Manappuram Home Finance Limited

Balance as at March 31, 2024 : ₹ Nil(31 March 2023: ₹ Nil)

Maximum amount outstanding during the year ₹ 500 Mn(31 March 2023: ₹ 1500Mn)

b) Asirvad Micro Finance Limited

Balance as at March 31, 2024 : ₹ Nil (31 March 2023: ₹ 1300 Mn)

Maximum amount outstanding during the year ₹ 2,500 Mn (31 March 2023: ₹ 1300 Mn)

Loan given to companies in which directors are interested: Nil

a) Spandana Sphoorty Financial Limited

Balance as at March 31, 2024: ₹ Nil (31 March 2023: Nil)

The maximum amount outstanding during the year is ₹ Nil (31 March 2023: ₹ Nil)

Note 48 (a): Gold and other loan portfolio classification and provision for non performing assets (As per RBI Prudential Norms)

Particulars	Gross Loan Outstanding*		Provision For Assets		Net Loan Outstanding	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
Secured Loans						
A) Gold Loan						
Standard Asset	2,03,115.60	1,88,141.15	813.41	754.13	2,02,302.19	1,87,387.03
Sub Standard Asset	2,767.93	1,414.55	276.79	141.45	2,491.14	1,273.09
Doubtful Asset	767.14	806.92	246.89	238.73	520.25	568.20
Loss Asset	63.91	46.61	63.91	46.61	(0.00)	-
Total - A	2,06,714.58	1,90,409.24	1,401.00	1,180.92	2,05,313.58	1,89,228.32
B) Other Loans						
Standard Asset	66,963.17	47,405.29	275.09	208.45	66,688.08	47,196.84
Sub Standard Asset	1,035.61	333.27	109.85	32.93	925.76	300.34
Doubtful Asset	470.85	429.96	137.74	124.47	333.11	305.49
Loss Asset	41.26	42.10	41.26	42.10	(0.00)	-
Total - B	68,510.89	48,210.62	563.94	407.95	67,946.95	47,802.67
Total (A+B)	2,75,225.47	2,38,619.85	1,964.94	1,588.87	2,73,260.53	2,37,031.00
Unsecured Loans						
A) Other Loans						
Standard Asset	6,062.24	3,264.66	24.88	13.29	6,037.36	3,251.37
Sub Standard Asset	314.37	118.57	31.44	11.86	282.93	106.71
Doubtful Asset	-	0.65	-	0.13	-	0.52
Loss Asset	5.51	18.29	5.51	18.29	-	-
Total (C)	6,382.12	3,402.18	61.83	43.57	6,320.29	3,358.60
Total Loan (A+B+C)	2,81,607.59	2,42,022.03	2,026.77	1,632.44	2,79,580.82	2,40,389.59

*Principal outstanding

Note 48 (b): Provision for diminution in value of investments

Particulars	31 st March, 2024	31 st March, 2023
Provision for diminution in value of investments - Refer Note 11	-	-

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 49: Investments

Particulars	As at 31 March 2024	As at 31 March 2023
1) Value of Investments		
i) Gross Value of Investments		
(a) In India	17,655.71	14,542.34
(b) Outside India		-
ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India		-
iii) Net Value of Investments		
(a) In India	17,655.71	14,542.34
(b) Outside India		-
2) Movement of provisions held towards depreciation on investments		
i) Opening balance	-	0.19
ii) Add : Provisions made during the year		-
iii) Less : Write-off / write-back of excess provisions during the year	-	0.19
iv) Closing balance	-	-

Note 50

(a): Disclosures relating to Securitisation

As per RBI guidelines on Securitisation DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 updated on February 17, 2020 the details of securitisation are given below:

Particulars	31 March, 2024 Numbers / Amount	31 March, 2023 Numbers / Amount
(i) No of SPVs sponsored by the NBFC for securitisation transactions	-	-
(ii) Total amount of securitised assets as per books of the SPVs Sponsored	-	-
(iii) Total amount of exposures retained by the NBFC to comply with MRR as on the date of Balance sheet	-	-
(iv) Amount of exposures to securitisation transactions Other than MRR as on the date of Balance sheet	-	-

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Total number of loan assets securitized during the year	2,684	-
Book value of loan assets securitized during the year	1,091.35	-
Sale consideration received during the year	982.22	-
Vehicle Loans Subordinated as Credit Enhancement on Assets Derecognised	-	-
Gain / (loss) on the securitization transaction recognised in P&L	-	-
Gain / (loss) on the securitization transactions deferred	-	-
Quantum of Credit Enhancement provided on the transactions in the form of deposits	109.14	-
Quantum of Credit Enhancement as at year end	109.14	-
Interest spread Recognised in the Statement of Profit and Loss during the Year	9.34%	-



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 50

(b): Details of Assignment transactions

Particulars	As at 31 March, 2024	As at 31 March, 2023
(i) Number of Accounts	10,079.00	4,804.00
(ii) Aggregate value (net of provisions) of accounts sold	6,678.75	2,658.29
(iii) Aggregate consideration	6,010.88	2,392.46
(iv) Aggregate consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / loss over net book value	576.21	216.68

(c): Details of non-performing financial assets purchased / sold - Nil

Note 51: Off - balance Sheet SPVs sponsored

	As at 31 March, 2024	As at 31 March, 2023
Name of the SPV Sponsored	-	-
Domestic	-	-
Overseas	-	-

Note 52: Exposure

Note 52 (a): Exposure to real estate sector

Category	As at 31 March, 2024	As at 31 March, 2023
Direct Exposure		
a) Residential Mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	4,807.19	3,006.38
b) Commercial Real Estate		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multiple purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would not include non-fund based (NFB) limits.	568.85	486.97
c) Investments in Mortgage Backed Securities (MBS) and other securitised exposures:		
i) Residential	-	-
ii) Commercial Real Estate	-	-
Indirect Exposure		
Exposure to Manappuram Home finance Limited (Wholly owned subsidiary)	3,572.90	3,572.90
Loan given to other Housing Finance Companies.	995.53	675.15
Total exposure to real estate sector	9,944.47	7,741.40

*This include exposure given

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 52 (b): Exposure to Capital Market

Particulars	As at 31 March, 2024	As at 31 March, 2023
i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	12,936.81	11,472.26
ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
vii) bridge loans to companies against expected equity flows / issues;	-	-
viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
ix) Financing to stockbrokers for margin trading	-	-
x) All exposures to Alternative Investment Funds: (i) Category I (ii) Category II (iii) Category III	-	-
Total Exposure to Capital Market	12,936.81	11,472.26



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 52 (C): Sectoral Exposure

Sector	Current Year			Previous Year		
	**Total Exposure (includes on balance sheet and off-balancesheet exposure) (₹ million)	Gross NPA's (₹ million)	Percentage of Gross NPAs to total exposure in that sector	**Total Exposure (includes on balance sheet and off-balancesheet exposure) (₹ million)	Gross NPA's (₹ million)	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	2,448.65	109.27	4.46%	1,113.20	36.10	3.24%
2. Industry						
Total of Industry	0.00	0.00	0.00%	-	-	0.00%
3. Services						
i. Transport Operators	18,276.85	525.38	2.87%	11,620.20	392.54	3.38%
ii. Loans to NBFC's	9,885.53	41.26	0.42%	12,748.22	43.57	0.34%
iii. Commercial Real estate	568.85	42.86	7.54%	486.97	40.02	8.22%
Total of Services	28,731.23	609.50	2.12%	24,855.39	476.14	1.92%
4. Personal Loans						
i. Vehicle Loans	17,819.98	453.56	2.55%	9,723.40	163.30	1.68%
ii. Loans Against Security of Gold	2,06,563.18	3,598.97	1.74%	1,95,229.96	2,268.08	1.16%
iii. Others	2,524.71	315.78	12.51%	2,127.27	88.46	4.16%
Total of Personal Loans	2,26,907.87	4,368.31	1.93%	2,07,080.63	2,519.84	1.22%
5. Others if any (please specify)						
i. Other Loans	23,519.83	379.47	1.61%	11,317.22	111.71	0.99%
	23,519.83	379.47	1.61%	11,317.22	111.71	0.99%
Total	2,81,607.58	5,466.55	1.94%	2,44,366.44	3,143.79	1.29%

**Exposure Includes : Principle Outstanding, Interest Accrued and Undisbursed Loan amount

Note 53: Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

The Company has not exceeded the Single borrower and group borrower limits

Note 54: Provisions and Contingencies

Particulars	As at 31 March, 2024	As at 31 March, 2023
Break-up of Provision and contingencies in statement of profit and loss		
Provision towards NPA	216.13	(186.32)
Provisions for depreciation on Investment	0.00	(0.19)
Provision made towards current tax	5,727.56	4,544.89
Provision for litigation	16.41	23.99
Provision for Standard Assets	122.87	476.38

Note 55: Draw down from Reserves

There are no drawdown reserves from statutory reserves during the year.

Note 56: Concentration of Advances, Exposures and NPAs

i) Concentration of Advances

Particulars	As at 31 March, 2024	As at 31 March, 2023
Total advances to twenty largest borrowers	9,735.41	9,169.92
Percentage of advances to twenty largest borrowers to total advances of the Company*	3.41%	3.67%

*Advances includes undrawn amount also

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

ii) Concentration of Exposures

Particulars	As at 31 March, 2024	As at 31 March, 2023
Total exposure to twenty largest borrowers/customers	24,234.29	20,555.96
Percentage of exposures to twenty largest borrowers/customers to total exposure of the Company on borrowers/customers	8.07%	7.86%

iii) Top 10 Borrowings (Guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies on November 04, 2019)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Top 10 Borrowings as on reporting date	1,57,626.63	1,29,720.04
Percentage of Top 10 Borrowings to total borrowings of the Company as on the reporting date	70.16%	67.46%

iv) Funding concentration based on significant counter party (Both deposits and borrowings) (Guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies on November 04, 2019)

Serial No	No of Significant Counter parties	As on 31 st March, 2024	% of Total Deposits	% of Total Liabilities
1	21	2,02,818.09	NIL	90.27%

v) Top 20 Large Deposits (Guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies on November 04, 2019)

Not Applicable

vi) Institutional set up for liquidity risk management (Guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies on November 04, 2019)

The Board of Directors of the Company has an overall responsibility and oversight for the management of all the risks, including liquidity risk. The Board approves the governance structure, policies, strategy and the risk tolerance limit for the management of liquidity risk. The Board of Directors approves the constitution of Risk Management Committee (RMC) for the effective supervision and management of various aspects including liquidity risks faced by the company. The meetings of RMC are held at quarterly interval. The Board of Directors also approves constitution of Asset Liability Committee (ALCO), consisting of the Company's top management which functions as the strategic decision-making body for the asset-liability management of the Company from risk-return perspective and within the risk appetite and tolerance limits approved by the Board. The role of the ALCO also includes periodic revision of interest rates, diversification of source of funding and its mix, maintenance of enough liquidity and investment of surplus funds. ALCO meetings are held once in a quarter or more frequently as warranted from time to time. The minutes of ALCO meetings are placed before the RMC and the Board of Directors in its next meeting for its perusal/approval/ratification.

vii) Funding Concentration based on significant Instrument / Product (Guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies on November 04, 2019)

Name of Instrument / Product	As at 31 March, 2024	% Of Total Liabilities	As at 31 March, 2023	% of Total Liabilities
Secured NCD	35,982.71	16.05%	49,608.07	25.80%
Borrowings from Banks & Fis	1,79,865.55	80.22%	1,42,684.99	74.20%
Subordinated Debt	-	0.00%	-	0.00%
CP	8,357.10	3.73%	-	0.00%
ECB - Senior Secured Notes	-	0.00%	-	0.00%
Other Loans	-	0.00%	-	0.00%
Total	2,24,205.35	100.00%	1,92,293.06	100.00%



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

(viii) Stock Ratios (Guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies on November 04, 2019)

Stock Ratios	As at 31 March, 2024	As at 31 March, 2023
Commercial Paper as a % of Total Public Funds	3.72%	0.00%
Commercial Paper as a % of Total Liabilities	2.46%	0.00%
Commercial Paper as a % of Total Assets	2.46%	0.00%
Non Convertible Debentures(NCDs)(Original Maturity of Less than one year) as a % of Total Public Funds	-	-
Non Convertible Debentures(NCDs)(Original Maturity of Less than one year) as a % of Total Liabilities	-	-
Non Convertible Debentures(NCDs)(Original Maturity of Less than one year) as a % of Total Assets	-	-
Other Short Term Liabilities as a % of Total Public Funds	1.13%	1.34%
Other Short Term Liabilities as a % of Total Liabilities	0.75%	0.88%
Other Short Term Liabilities as a % of Total Assets	0.75%	0.88%

(ix) Exposure to top four NPA Accounts

Particulars	31 March, 2024	31 March, 2023
Total exposure to top four NPA accounts	98.35	93.43

(x) Sector-wise NPAs

Sector#	Percentage of NPAs to Total Advances in that Sector	
	As at 31 March, 2024	As at 31 March, 2023
Agriculture & allied activities	4.46%	3.37%
MSME	2.07%	0.50%
Corporate borrowers	0.86%	0.87%
Services	-	-
Unsecured personal loans	4.95%	3.95%
Auto loans	2.71%	2.64%
Other personal loans	1.74%	1.18%

The percentage is on principal outstanding

(xi) Movement of NPAs

Particulars	As at 31 March, 2024	As at 31 March, 2023
I) Net NPAs to Net Advances (%)	1.63%	1.06%
II) Movement of NPAs (Gross)		
a) Opening balance	3,210.93	6,622.94
b) Addition during the year	4,138.23	2,073.96
c) Reduction during the year	(1,882.57)	(5,485.97)
d) Closing balance	5,466.58	3,210.93
III) Movement of NPAs (Net)		
a) Opening balance	2,554.36	5,673.93
b) Addition during the year	3,622.81	1,722.22
c) Reduction during the year	(1,617.72)	(4,841.78)
d) Closing balance	4,553.19	2,554.36
IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	656.56	949.01
b) Provision made during the year	515.41	351.74
c) Write-off/write-back of excess provisions	(264.86)	(644.19)
d) Closing balance	913.39	656.56

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 57: Miscellaneous

i) Registration obtained from other financial sector regulators

Regulator	Registration No.
Reserve Bank of India	Certificate of Registration No. B-16.00029
b) Ministry of Corporate Affairs	Corporate Identification No. L65910KL1992PLC006623
c) Ministry of Finance (Financial Intelligence Unit - India (FIU-IND))	FIUREID : FINBF12754

ii) Disclosure of Penalties imposed by RBI and other regulators

- Imposed by BSE and NSE during the year ended March 31 2024 is ₹ .003 and during the year ended March 31 2023 is ₹ 0.11 Mn
- Penalty amounted to ₹ .63 have been imposed by RBI during the year ended March 31,2024 and during the year ended March 31,2023 is ₹ Nil.

iii) Ratings assigned by credit rating agencies and migration of ratings during the year

Credit rating Agency	Type of Facility	As at 31 st March, 2024		As at 31 st March, 2023	
		₹ In Million	Rating	₹ In Million	Rating
Brickwork	Non-Convertible debentures	9,506.20	BWR AA(Stable)	9,506.20	BWR AA(Stable)
	Bank Loan Facility	-	Withdrawn	-	Withdrawn
CRISIL	Bank Loan Facility Long term	69,950.00	CRISIL AA/Stable	54,500.00	CRISIL AA/Stable
	Bank Loan Facility Short term	25,050.00	CRISIL A1+	15,500.00	CRISIL A1+
	Non-Convertible Debenture	45,228.00	CRISIL AA/Stable	46,250.00	CRISIL AA/Stable
	Principal Protected Market Linked Debenture	-	Withdrawn	-	Withdrawn
	Commercial Paper	40,000.00	CRISIL A1+	40,000.00	CRISIL A1+
CARE	PCG DA	-	Withdrawn	-	Withdrawn
	Bank Loan Facility Long Term	86,050.00	CARE AA Stable	64,900.00	CARE AA Stable
	Bank Loan Facility Short Term	53,950.00	CARE A1+	45,100.00	CARE A1+
	Non-Convertible Debentures	16,102.50	CARE AA Stable	27,205.80	CARE AA Stable
	Commercial Paper	40,000.00	CARE A1+	40,000.00	CARE A1+

Note 58: Customer Complaints

Sl.No.	Particulars	Current Year (2023 - 24)	Previous Year (2022 - 23)
	Complaints received by the NBFC from its customers		
1	Number of complaints pending at beginning of the year	141	177
2	Number of complaints received during the year	8,047	6,082
3	Number of complaints disposed during the year	8,074	6,112
3.1	Of which, number of complaints rejected by the NBFC	59	6
4	Number of complaints pending at the end of the year	55	141
	Maintainable complaints received by the NBFC from Office of Ombudsman		
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	196	229
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	192	224
5.2	5.2 Of 5, number of complaints resolved through conciliation/mediation/ advisories issued by Office of Ombudsman	4	5
5.3	5.3 Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC		
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the Scheme.

* It shall only be applicable to NBFCs which are included under The Reserve Bank - Integrated Ombudsman Scheme, 20



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

2) Top five grounds² of complaints received by the NBFCs from customers

Ground Of Complaints (i.e.complaints relating to)	Number of complaints pending at the beginng 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
1 Credit Information Related	30	5685	235%	18	0
2 Gold Damage or Missing	8	155	101%	3	0
3 Surplus Related	29	622	59%	2	0
4 Poor Customer Service	50	816	63%	24	1
5 SMS or Email or Calls Related	18	605	57%	7	0
6 Others	6	164	123%	1	0
Previous Year					
1 Credit Information Related	20	2410	171%	30	3
2 Gold Damage or Missing	21	154	223%	8	4
3 Surplus Related	39	1032	131%	29	1
4 Poor Customer Service	85	1290	139%	50	6
5 SMS or Email or Calls Related	12	1063	158%	18	0
6 Others	0	133	208%	6	3

Note 59: Derivatives disclosures as per RBI

As at 31 March 2024, the Company has recognised a net Market to Market (MTM) Loss of ₹ 82.58Mn (31 March 2023 ₹ 32.85Mn loss) relating to derivative contracts entered to hedge the foreign currency risk of future interest payment on fixed rate foreign currency denominated bond and foreign currency term loan, repayment of fixed rate foreign currency denominated bond and loans designated as cash flow hedges, in Hedging Reserve Account as part of the Shareholders' funds. Refer to Note no. 17 'Derivative Financial Instruments'.

Details of outstanding derivative contracts as at the year end.

Type of Derivatives	As at 31 March 2024		As at 31 March 2023	
	No of contracts	Value (USD)	No of contracts	Value (USD)
Forward Contracts entered into hedge the currency risk of future interest payments	5	4,38,47,823	8	9,06,54,951
Currency Swaps	3	10,00,00,000	-	-

Type of Derivatives	As at 31 March 2024		As at 31 March 2023	
	No of contracts	Value ₹ In million	No of contracts	Value ₹ In million
Forward Contracts entered into hedge the currency risk of future interest payments	5	3,657.13	8	7,449.12
Currency Swaps	3	8,340.50	-	-

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Disclosure required as per RBI requirements;

Forward rate agreement / Interest rate swap

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
i) The notional principal of swap agreements	8,340.50	-
ii) The notional principal of forward rate agreements	3,657.13	7,449.12
ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements.	-	-
iii) Collateral required by the NBFC upon entering into swaps	2,600.00	2,600.00
iv) Concentration of credit risk arising from the swap	-	-
v) The fair value of the swap agreements	(118.55)	-
vi) The fair value of the forward rate agreements	8.33	(32.85)

Exchange Traded interest rate (IR) derivatives : NIL

Disclosures on risk exposure of 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 interest rate and currency swaps, interest rate options and forwards. The Company undertakes forward contracts 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 Finance Resource Committee and Risk Management Committee closely monitors such transactions and reviews the risks involved.

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
	Swaps	Forward Agreements	Swaps	Forward Agreements
i) Derivatives (Notional principal amount)				
For Hedging	8,340.50	3,657.13	-	7,449.12
ii) Marked to Market Positions				
a) Asset (+)	-	8.33	-	-
b) Liability (-)	(118.55)	-	-	32.85
iii) Credit Exposure	-	-	-	-
iv) Unhedged Exposure	-	-	-	-



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 60: Disclosure required as per Reserve Bank of India Notification No. DOR (NBFC). CC . PD. No.109/22.10.106/2019-20 dated March 13, 2020

In accordance with the regulatory guidance on implementation of Ind AS issued by RBI on March 13, 2020, the company has computed provisions as per Income Recognition Asset Classification and Provisioning (IRACP) norms issued by RBI solely for comparative purposes as specified therein. A comparison between provisions required under IRACP and impairment allowances made under Ind AS 109 is given below:

Asset Classification as per RBI Norms	As at March 31 2024					
	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	2,73,861.08	1,373.69	2,72,487.39	1,098.80	274.89
	Stage 2	2,279.88	77.90	2,201.98	14.58	63.32
Subtotal for standard		2,76,140.96	1,451.59	2,74,689.37	1,113.38	338.21
Non-Performing Assets (NPA)						
Substandard	Stage 3	4,117.90	452.67	3,665.23	418.08	34.59
Doubtful upto 1 year	Stage 3	485.85	40.34	445.51	102.13	(61.79)
1 to 3 years	Stage 3	539.41	60.06	479.35	175.71	(115.65)
More than 3 years	Stage 3	212.72	7.03	205.69	106.79	(99.76)
Subtotal for doubtful		1,237.98	107.43	1,130.55	384.64	(277.20)
Loss	Stage 3	110.68	110.68	(0.00)	110.68	0.00
Subtotal for NPA		5,466.56	670.78	4,795.78	913.39	(242.61)
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	4,000.00	0.78	3,999.22	-	0.78
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal for other items		4,000.00	0.78	3,999.22	-	0.78
Total						
	Stage 1	2,77,861.11	1,374.47	2,76,486.61	1,098.80	275.67
	Stage 2	2,279.90	77.90	2,201.98	14.58	63.32
	Stage 3	5,466.58	670.78	4,795.78	913.39	(242.61)
Total		2,85,607.59	2,123.15	2,83,484.37	2,026.77	96.38

*Principal Outstanding

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Asset Classification as per RBI Norms	As at 31 st March, 2023					
	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	2,34,098.49	1,262.60	2,32,835.89	938.51	324.09
	Stage 2	4,712.61	66.38	4,646.23	37.35	29.03
Subtotal for standard		2,38,811.10	1,328.98	2,37,482.12	975.86	353.11
Non-Performing Assets (NPA)						
Substandard	Stage 3	1,866.39	194.42	1,671.97	186.24	8.18
Doubtful upto 1 year	Stage 3	586.63	69.43	517.20	111.73	(42.30)
1 to 3 years	Stage 3	479.90	50.62	429.28	166.09	(115.47)
More than 3 years	Stage 3	171.01	11.20	159.81	85.50	(74.30)
Subtotal for doubtful		1,237.54	131.25	1,106.29	363.32	(232.07)
Loss	Stage 3	107.01	107.01	-	107.01	-
Subtotal for NPA		3,210.93	432.68	2,778.25	656.56	(223.89)
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	2,700.00	0.53	2,699.47	-	0.53
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal for other items		2,700.00	0.53	2,699.47	-	0.53
Total	Stage 1	2,36,798.49	1,263.12	2,35,535.37	938.51	324.61
	Stage 2	4,712.61	66.38	4,646.23	37.35	29.03
	Stage 3	3,210.93	432.68	2,778.25	656.56	(223.88)
	Total	2,44,722.03	1,762.18	2,42,959.85	1,632.43	129.75

*Principal Outstanding



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note: 61 Liquidity Coverage Ratio (LCR) disclosures required under notification RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20

A. Quantitative Disclosure

LCR Disclosure for the Quarter ended March 2024

Particulars	31-Mar-24	
	Total Unweighted Value (average) ³	Total Unweighted Value (average) ⁴
High Quality Liquid Assets		
1 **Total High Quality Liquid Assets (HQLA)	814.50	814.50
Cash Outflows		
2 Deposits (for deposit taking companies)	-	-
3 Unsecured wholesale funding	-	-
4 Secured wholesale funding	655.54	753.87
5 Additional requirements, of which	-	-
(i) Outflows related to derivative exposures and other collateral requirements	-	-
(ii) Outflows related to loss of funding on debt products	-	-
(ii) Credit and liquidity facilities	-	-
6 Other contractual funding obligations	400.00	460.00
7 Other contingent funding obligations	341.54	392.77
8 TOTAL CASH OUTFLOWS	1,397.08	1,606.64
Cash Inflows		
9 Secured lending	3,121.24	2,340.93
10 Inflows from fully performing exposures	549.57	412.18
11 Other cash inflows	983.61	737.71
12 TOTAL CASH INFLOWS	4,654.42	3,490.82
	Total Adjusted Value	
13 TOTAL HQLA		814.50
14 TOTAL NET CASH OUTFLOWS		401.67
15 LIQUIDITY COVERAGE RATIO (%)		202.78%

LCR Disclosure for the Quarter ended December 2023

Particulars	31-Dec-23	
	Total Unweighted Value (average) ³	Total Unweighted Value (average) ⁴
High Quality Liquid Assets		
1 **Total High Quality Liquid Assets (HQLA)	1,342.96	1,342.96
Cash Outflows		
2 Deposits (for deposit taking companies)	-	-
3 Unsecured wholesale funding	1,165.94	1,340.83
4 Secured wholesale funding	-	-
5 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	-	-
6 Other contractual funding obligations	400.00	460.00
7 Other contingent funding obligations	317.72	365.38
8 TOTAL CASH OUTFLOWS	1,883.66	2,166.22

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Particulars	31-Dec-23	
	Total Unweighted Value (average) ³	Total Unweighted Value (average) ⁴
Cash Inflows		
9 Secured lending	4,202.28	3,151.71
10 Inflows from fully performing exposures	473.85	355.39
11 Other cash inflows	-	-
12 TOTAL CASH INFLOWS	4,676.13	3,507.10
		Total Adjusted Value
13 TOTAL HQLA		1,342.96
14 TOTAL NET CASH OUTFLOWS		541.55
15 LIQUIDITY COVERAGE RATIO (%)		247.98%

LCR Disclosure for the Quarter ended September 2023

Particulars	30-Sep-23	
	Total Unweighted Value (average) ³	Total Unweighted Value (average) ⁴
High Quality Liquid Assets		
1 **Total High Quality Liquid Assets (HQLA)	1,448.48	1,448.48
Cash Outflows		
2 Deposits (for deposit taking companies)	-	-
3 Unsecured wholesale funding	-	-
4 Secured wholesale funding	1,260.00	1,449.00
5 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	-	-
6 Other contractual funding obligations	400.00	460.00
7 Other contingent funding obligations	305.31	351.11
8 TOTAL CASH OUTFLOWS	1,965.31	2,260.11
Cash Inflows		
9 Secured lending	1,160.60	870.45
10 Inflows from fully performing exposures	2,203.95	1,652.96
11 Other cash inflows	-	-
12 TOTAL CASH INFLOWS	3,364.55	2,523.41
		Total Adjusted Value
13 TOTAL HQLA		1,448.48
14 TOTAL NET CASH OUTFLOWS		565.03
15 LIQUIDITY COVERAGE RATIO (%)		256.36%



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

LCR Disclosure for the Quarter ended June 2023

Particulars	30-Jun-23	
	Total Unweighted Value (average) ³	Total Unweighted Value (average) ⁴
High Quality Liquid Assets		
1 **Total High Quality Liquid Assets (HQLA)	1,016.18	1,016.18
Cash Outflows		
2 Deposits (for deposit taking companies)	-	-
3 Unsecured wholesale funding	-	-
4 Secured wholesale funding	414.69	476.89
5 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	-	-
6 Other contractual funding obligations	375.00	431.25
7 Other contingent funding obligations	291.31	335.01
8 TOTAL CASH OUTFLOWS	1,081.00	1,243.15
Cash Inflows		
9 Secured lending	1,050.94	788.21
10 Inflows from fully performing exposures	2,353.65	1,765.24
11 Other cash inflows	262.20	196.65
12 TOTAL CASH INFLOWS	3,666.79	2,750.08
	Total Adjusted Value	
13 TOTAL HQLA		1,016.18
14 TOTAL NET CASH OUTFLOWS		310.79
15 LIQUIDITY COVERAGE RATIO (%)		326.97%

B. Qualitative Disclosure

The Company has adopted Liquidity Risk Management (LRM) framework on liquidity standards as prescribed by the RBI guidelines and has put in place requisite systems and processes to enable periodical computation and reporting of the Liquidity Coverage Ratio (LCR). The mandated regulatory threshold is embedded into the Liquidity Risk. The Company computes the LCR and reports the same to the Asset Liability Management Committee (ALCO) every month for review as well as to the ALM Committee of the Board.

The Company follows the criteria laid down by RBI for calculation of High Quality Liquid Assets (HQLA), gross outflows and inflows within the next 30-day period. HQLA predominantly comprises unencumbered Cash and Bank balances, Government securities viz., Treasury Bills, Central and State Government securities, Investments in TREPs (Triparty Repo trades in Government Securities provided by The Clearing Corporation of India).

The Board shall have the overall responsibility for management of liquidity risk. The Board shall decide the strategy, policies and procedures to manage liquidity risk in accordance with the liquidity risk tolerance/limits decided by it from time to time. The ALM Committee of the Board of Directors shall be responsible for evaluating the liquidity risk. Further details regarding management responsibilities on Liquidity Risk Management is disclosed under note 56(vi).

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note: 62 Disclosure of restructured accounts as required by the NBFC Master Directions issued by RBI

As at 31-03-2024

Sl No	Type of Restrcturing Asset classification Details	Standard	Restructuring others**			Total	
			Sub Standard	Doubtful	Loss		
1	Restructured accounts as on April 1 st of the FY (Opening figure)	No of Borrowers	-	14.00	342.00	4.00	360.00
		Amount Outstanding	-	7.54	171.06	4.46	183.06
		Provision* thereon*	-	0.75	59.63	4.46	64.84
2	Fresh Restructuring during the year	No of Borrowers	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-
		Provision* thereon	-	-	-	-	-
3	Upgradations to restructured standard category during the FY	No of Borrowers	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-
		Provision* thereon	-	-	-	-	-
4	Restructured standard accounts which cease to attract higher provisioning and /or additional risk weight at the end of the FY and hence need not to be showed as restructured standard advances at the beginning of next FY	No of Borrowers	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-
		Provision* thereon	-	-	-	-	-
5	Downgradations of restructured accounts during the FY	No of Borrowers	-	-	6.00	-	6.00
		Amount Outstanding	-	-	2.10	-	2.10
		Provision* thereon	-	-	0.71	-	0.71
6	Writeoffs of restructured accounts during the FY	No of Borrowers	0.00	3.00	148.00	1.00	152.00
		Amount Outstanding	0.00	1.04	47.72	0.00	48.76
		Provision* thereon	0.00	0.10	15.81	0.00	15.91
7	Restructured accounts as on March 31 of the FY (Closing figure)	No of Borrowers	10.00	8.00	188.00	1.00	207.00
		Amount Outstanding	3.00	3.22	87.83	4.10	98.14
		Provision* thereon	0.30	3.22	35.91	4.10	43.51

As at 31-03-2023

Sl No	Type of Restrcturing Asset classification Details	Standard	Restructuring others**			Total	
			Sub Standard	Doubtful	Loss		
1	Restructured accounts as on April 1 st of the FY (Opening figure)	No of Borrowers	-	664.00	-	1.00	665.00
		Amount Outstanding	-	397.15	-	9.02	406.17
		Provision* thereon*	-	39.71	-	9.02	48.73
2	Fresh Restructuring during the year	No of Borrowers	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-
		Provision* thereon	-	-	-	-	-
3	Upgradations to restructured standard category during the FY	No of Borrowers	-	0.00	-	-	-
		Amount Outstanding	-	0.00	-	-	-
		Provision* thereon	-	0.00	-	-	-



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Sl No	Type of Restructuring		Restructuring others**				
	Asset classification	Standard	Sub Standard	Doubtful	Loss	Total	
	Details						
4	Restructured standard accounts which cease to attract higher provisioning and /or additional risk weight at the end of the FY and hence need not to be showed as restructured standard advances at the beginning of next FY	No of Borrowers	-	-	-	-	
		Amount Outstanding	-	-	-	-	
		Provision* thereon	-	-	-	-	
5	Downgradations of restructured accounts during the FY	No of Borrowers	-345.00	342.00	3.00	-	
		Amount Outstanding	-171.38	171.06	0.33	-0.00	
		Provision* thereon	-59.96	59.63	0.33	-0.00	
6	Writeoffs of restructured accounts during the FY	No of Borrowers	0.00	305.00	0.00	0.00	305.00
		Amount Outstanding	0.00	218.21	0.00	4.89	223.10
		Provision* thereon	0.00	(21.00)	0.00	4.89	(16.11)
7	Restructured accounts as on March 31 of the FY(Closing figure)	No of Borrowers	-	14.00	342.00	4.00	360.00
		Amount Outstanding	-	7.54	171.06	4.46	183.06
		Provision* thereon	-	0.75	59.63	4.46	64.84

* Provision as per IRAC norms

** During FY 2021-22, normal restructuring included 364 cases of MSME-restructured loans, which were reclassified during FY 2022-23 as MSME-restructure.

*** Since the above disclosure pertains to the section "Others", the first two sections namely, "under CDR Mechanism" and "under Debt Restructuring Mechanism" as per format prescribed in guidelines are not included above.

Note 63 (a): Additional disclosures as required by the Reserve Bank of India

Particulars	As at 31 March, 2024	As at 31 March, 2023
Total Gold loan portfolio	2,17,666.63	1,95,229.96
Total Assets	3,39,726.26	2,93,375.06
Gold loan portfolio as a percentage of total assets	64%	67%

Note 63 (b): Additional disclosures as required by the Reserve Bank of India

Year	Number of Loan Accounts	Principal Amount outstanding at the dates of auctions (A)	Interest & other charges outstanding at the dates of auctions (B)	Total (A+B)	Value fetched *
31-Mar-23	1,98,782	7,721.21	1,881.57	9,602.78	9,790.01
31-Mar-24	54,333	2,286.44	872.03	3,158.47	3,174.49

Note: No sister concerns participated in the auctions during the year ended 31 March 2024 and 31 March 2023.

* Net of GST / Sales Tax Collected from the buyer.

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 64: Disclosure as per amended Schedule III to the Companies Act, 2013

64A: Disclosure on the following matters required under Schedule III as amended not being or applicable in case of the company, same are not covered such as

- No proceedings have been initiated or are pending against the Company for holding any Benami property under the Benami Property (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- The company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- No registration or satisfaction of charges are pending to be filed with ROC.
- The company has not entered into any scheme of arrangement.
- There are no transactions which have not been recorded in the books.
- The company has not traded or invested in crypto currency or virtual currency during the financial year.

64B: Utilisation of Borrowed funds or share premium

- No funds 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 to 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.
- No funds 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.

64C: Capital Work In Progress (CWIP) aging schedule

CWIP	Amount in CWIP for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	26.87	1.74	102.52	202.34	333.46
Projects temporarily suspended	-	-	-	-	-

64D: Relationship with struck off companies

Nil. *As on reporting date (31-03-2024)

64E: Standards issued but not yet effective

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. The Company has evaluated the same for reporting.

New Technical Pronouncement: The Ministry of Corporate Affairs ("MCA") notifies of new standards or amendments to existing standards. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below;

Ind AS 1- Presentation of Financial Statements – The amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies.

Ind AS 8- Accounting Policies, Changes in Accounting Estimates and errors- This amendment has introduced a definition of 'Accounting Estimates' to help entities distinguish changes in accounting policies from changes in accounting estimates.

Ind AS 12- Income Taxes- This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

The company adopted these amendments from annual periods beginning on or after April 1, 2023.

There is no such notification which would have been applicable from April 01, 2024

The same can be seen in the attached standalone excel note 64E



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 65: Fraud

During the year there have been certain instances of fraud on the Company by officers and employees where gold loan related misappropriations / cash embezzlements / burglaries have occurred for amounts aggregating an amount of ₹225.91 Mn(31 March 2023 ₹100.42 Mn) of which the Company has recovered ₹22.75 Mn(31 March 2023 ₹31.04 Mn). The Company has taken insurance cover for such losses and has filed insurance claims in this regard. Further, the Company is in the process of recovering these amounts from the employees and taking legal actions, where applicable. The Company has created provision/written-off aggregating to ₹203.16 Mn(31 March 2023 - ₹ 69.37 Mn) towards these losses based on its estimate.

Note 66: Breaches in terms of covenants in respect of loans availed by the NBFC or debt securities issued by the NBFC including incidence/s of default.

There is no Breaches in terms of covenants in respect of loans availed by NBFC or debts securities issued by the NBFC -Nil FY 2023-24(PY 2022-23-Null)

Note 67: Unhedged foreign currency exposure

The company has Unhedged foreign currency amount of ₹ .65 Mn (FY 2023-24 - ₹ 1.80 Mn) (Please refer to Note 45 Risk Management for the Company policies to manage currency induced risk)

Note 68: Intra-group exposures

Particulars	31-Mar-2024	31-Mar-2023
i) Total amount of intra-group exposure	16,936.08	15,471.65
ii) Total amount of top 20 intra-group exposure	16,936.08	15,471.65
iii) Percentage of intra-group exposure to total exposure of NBFC on borrowers/ customers	5.48%	5.92%

Note 69: Disclosure under covid resolution plans

Detail of resolution plans implemented under the "Resolution framework for COVID-19-related Stress" as per the RBI notification no. RBI/2020-21/16 DOR.NO.BP.BC/3/21.04.048/2020-21 dated August 06, 2020 and RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021 as at March 31, 2022 are given below. The resolution plans were based on the parameters laid down in the resolution policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the Reserve Bank of India.

Format B

Type of borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan- Position as at the end of previous half year.(A)	Of (A), aggregate debt that slipped into NPA during the half year	Of (A), amount written off during the half year	Of (A), amount paid by borrowers during the half year	Exposure to accounts classified as standard consequent to implementation of resolution plan- position as at the end of this half year.
Personal Loans #	1.54	0.00	-	0.50	1.04
Corporate Persons*	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	15.54	4.79	0.00	6.47	5.59
	17.08	4.79	0.00	6.97	6.63

Includes restructuring done in respect of request received as of September 30, 2021 processed subsequently.

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024

(All amounts are in millions, unless otherwise stated)

Note 70: MSME Restructuring disclosure

The disclosure as required under RBI notification No.RBI/2020-21/17 DOR.No.BP/BC/4/21.04.048/2020-21 on Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances dated August 6, 2020, and under RBI Notification No.RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22 dated May 5th 2021 for the year ended March 31, 2024 are as follows:

Type of borrower	No. of accounts restructured	Exposure to restructured accounts As on 31.03.2024
MSME	318	94.51*

*Total outstanding has been considered

Note-71 :Corporate Governance report containing composition and category of directors, shareholding of non-executive directors, etc. As at 31st March, 2024

1) Composition of the Board

Sl. No.	Name of Director	Director Since	Capacity (i.e.Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	DIN	Number of Board Meetings		Remuneration			No. of shares held in and convertible instruments held in the NBFC
					Held	Attended	Salary and other compensation	Sitting Fee	Commission	
1	Mr.V.P.Nandakumar	7/15/1992	Promoter-Executive	00044512	9	9	10,68,75,002	-	10,00,00,000	24,54,54,221
2	Adv.V.R.Ramachandran	7/31/2014	Non-Executive -Independent	00046848	9	9	3,60,000	3,60,000	47,00,000	10,30,000
3	Mr.P.Manomohan	7/31/2014	Non-Executive -Independent	00042836	9	9	3,60,000	3,60,000	31,00,000	7,93,582
4	Mr. T.C Suseel Kumar	11/1/2023	Non-Executive - Independent	06453310	9	3	1,20,000	1,20,000	12,91,000	-
5	Ms. Pratima Ram	9/23/2022	Non-Executive -Independent	03518633	9	9	3,60,000	3,60,000	31,00,000	-
6	Mr. Abhijit Sen	8/27/2019	Non-Executive -Independent	00002593	9	9	3,60,000	3,60,000	54,00,000	-
7	Mr. Harshan Kollara	8/28/2020	Non-Executive -Independent	01519810	9	9	3,60,000	3,60,000	39,00,000	-
8	Mr. Shailesh J Mehta	8/28/2020	Non-Executive Chairman	01633893	9	9	3,60,000	3,60,000	1,15,00,000	5,00,000
9	Mr. S.R Balasubramanian	6/28/2021	Non-Executive-Non-Independent	03200547	9	9	3,60,000	3,60,000	31,00,000	-
10	Dr.Sumitha Nandan	1/1/2023	Promoter-Group-Executive	03625120	9	8	1,04,62,500	-	36,00,000	-
11	Adv. Veliath Pappu Seemandini	12/23/2022	Non-Executive -Independent	07850522	9	9	3,60,000	3,60,000	31,00,000	-
12	Mr. Sankaran Nair Rajagopal	1/1/2024	Non-Executive -Independent	10087762	9	2	80,000	80,000	775,000	-
13	Mr. E.K.Bharat Bhushan	01.03.2024	Non-Executive -Independent	1124966	9	1	40,000	40,000	2,58,000	-

Details of change in composition of the Board during the current and previous financial year



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Sl. No	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of change(resignation, appointment)	Effective date
1	Mr. B N Raveendra Babu	Non-Executive -Independent	Resignation	18.05.2022
2	Ms. Sutapa Banerjee	Non-Executive -Independent	Resignation	04.07.2022
3	Ms. Pratima Ram	Non-Executive -Independent	Appointment	23.09.2022
4	Adv. Veliath Pappu Seemandini	Non-Executive -Independent	Appointment	23.12.2022
5	Dr.Sumitha Nandan	Promoter Group-Executive	Appointment	01.01.2023
6	Mr.Gautam Ravi Narayan	Non-Executive-Non-Independent	Resignation	04.04.2023
7	Mr. T.C Suseel Kumar	Non-Executive -Independent	Appointment	01.11.2023
8	Mr. Sankaran Nair Rajagopal	Non-Executive -Independent	Appointment	01.01.2024
9	Mr. E.K.Bharat Bhushan	Non-Executive -Independent	Appointment	01.03.2024

Where an independent director resigns before expiry of her/ his term, the reasons for resignation as given by her/ him shall be disclosed.

During the year, one Non Executive Director, Mr.Gautam Ravi Narayan (DIN: 02971674) resigned from the Board of the Company with effect from 04.04.2023 due to personal reasons.

Details of any relationship amongst the directors inter-se shall be disclosed

There is no relationship between Directors inter-se except below.

Dr.Sumitha Nandan (DIN:03625120) Executive Director is the daughter of Mr.V P Nandakumar (DIN:00044512), Managing Director of the Company

2) Committees of the Board and their composition

i. Mention the names of the committees of the Board

- 1 Audit Committee
- 2 Nomination, Compensation & Corporate Governance Committee
- 3 Stakeholders Relationship And Securities Transfer Committee
- 4 Risk Management Committee (RMC)
- 5 Corporate Social Responsibility Committee (CSR Committee)
- 6 Asset- Liability Management Committee (ALCO)
- 7 Financial Resource & Management Committee
- 8 Debenture Committee
9. IT Strategy Committee

ii. For each committee, mention the summarized terms of reference and provide the following details.

AUDIT COMMITTEE

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Abhijit Sen	11/6/2019	Independent Director	9	9	-
2	Ms.Pratima Ram	3/24/2023	Independent Director	9	9	-
3	Mr. Harshan Kollara	10/1/2020	Independent Director	9	8	-
4	Mr.P.Manomohanan	10/25/2003	Independent Director	9	9	7,93,582
5	Mr.Shailesh J Mehta	10/1/2020	Independent Director	9	9	5,00,000
6	Dr.Sumitha Nandan	3/24/2023	Independent Director	9	9	-

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Details of change in Composition

Sl.No	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of change (resignation, appointment)	Effective date
1	NIL			

Terms of Reference: -

1. Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board the appointment, reappointment, and if required, the replacement or removal of the statutory auditor and the fixation of the audit fee.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing with management the annual financial statements before submission to the Board for approval with particular reference to:
 - a) Matters required to be included in the Directors 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.
 - 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 statement arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to the financial statements.
 - f) Disclosure of any related party transactions.
 - g) Qualifications in the draft audit report.
5. Reviewing with the management the quarterly financial statements before submission to the board for approval.
6. 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 utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and the effectiveness of the audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing the management performance of the statutory and internal auditors and the adequacy of the internal control system.
13. Reviewing the adequacy of the internal audit function if any including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

14. Discussion with internal auditors regarding any significant findings and follow-up thereon.
15. 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.
16. Discussion with statutory auditors before the audit commences about the nature and scope of the audit as well as post-audit discussions to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payments to the depositors, debenture - holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. To review the function of whistle blower mechanism in case the same exists.
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Monitoring the end use of funds raised through public offers and related matters.
21. Carrying out any other function as mentioned in the terms of reference of the audit committee.
22. Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore 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.
23. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
24. The Audit Committee must ensure that an Information System Audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the NBFCs.

NOMINATION, COMPENSATION & CORPORATE GOVERNANCE COMMITTEE

Sl. No	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Harshan Kollara	11/13/2021	Independent, Non-Executive	6	6	-
2	Dr. Shailesh J Mehta	10/1/2020	Independent, Non-Executive	6	6	5,00,000
3	Adv. Veliath Pappu Seemandini	3/24/2023	Independent, Non-Executive	6	6	-

Details of change in Composition

Sl.No	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of change (resignation, appointment)	Effective date
1	Mr. Gautam Ravi Narayan	Non Independent, Non-Executive	Resignation	04.04.2023

Terms of Reference of Nomination, Compensation and Corporate Governance Committee

Considering the statutory provisions under Section 178 of the Companies Act, 2013, provisions of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and the guidelines issued by the Reserve Bank of India on Corporate Governance of NBFCs, and the Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023, the role and responsibilities of the committee can be classified into three broader categories such as;

- I. of nomination
- II. of fixation of remuneration and performance evaluation
- III. of Governance.

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

The committee shall effectively discharge its roles and responsibilities in the following manner:

I. Role of Nomination:

- a) The Committee shall put in place a broader policy describing the qualification, experience and other positive attributes for selection of Executive/whole time directors including their age of retirement.
- b) The committee shall formulate and put in place guiding principles to determine the qualities, qualifications, and the parameters to determine the 'fit and proper' criteria for appointment of independent Directors keeping in mind the diversity quotient the company's board shall maintain from time to time and subject to the applicable regulatory requirements.
- c) Filling in a timely manner vacancy on the board of the company including the position of executive/whole time directors.
- d) Selection of directors, key management personnel and persons to be appointed in senior management positions as defined by the board and recommend to the board for their appointment and removal thereof.

II. Role of Fixing Remuneration and Evaluation of Performance.

- a. The committee shall formulate and recommend to the Board of Directors of the Company for its approval a policy relating to the remuneration for the Directors, Key managerial Personnel, Senior Management* and other employees from time to time.
- b. The policy as aforesaid shall be formulated to ensure that-
 1. The level and composition of remuneration are reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
 2. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 3. 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;
- c. The committee shall review the performance of individual directors of the company on a yearly basis at the end of each financial year or at such periodicity as the committee deems fit and recommend to the board on the basis of such review, whether a director to be recommended for re- appointment or not.
- d. The committee shall review the performance of the Executive/Whole time Directors of the company and fix suitable compensation packages in consideration of their performance, contributions, the general business environment in which the company operates and financial position of the company. The remuneration package may be a combination of fixed and performance based bonus/incentives for the period under review.
- e. The committee shall along with the management review the performance of Key managerial personnel and senior management* persons on a periodical basis and fix their remuneration packages in accordance with the policies approved by the Board. The period of gap between two such reviews shall not elapse fifteen months.
- f. As per SEBI (LODR) Regulations, 2018 (Amendment Regulations) dated May 9, 2018, the additional responsibilities entrusted with Nomination Compensation and Corporate Governance Committee with effect from 1st April 2019 are as follows: -
 1. NRC shall revisit the list of Senior Management to assess the additions to the list.
 2. NRC shall recommend remuneration of Senior Management* to the Board
 3. Formulating Succession Planning for Senior Management.
 4. Review and affirm the senior management* shall abide by the code of conduct on an annual basis.
 5. Senior Management* shall make disclosure to the Board relating to all material, Financial and Commercial transactions, where they have a personal interest that may have a potential conflict with the interest of the Company at a large.



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

**For the purpose of this Code the term 'senior management' shall mean the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.*

Board of Directors at their meeting held on 13.11.2023, identified following officials as 'Senior Management' for the purpose of this code.

Sl.No	Senior Management
1	Chief Financial Officer
2	Head - Analytics and Business Review
3	Company Secretary
4	Compliance Department Head
5	Chief Risk Officer
6	Head of Information Technology Department
7	Head of Human Resource Department
8	Head of Internal Audit Department
9	HRM Training Head
10	Head of Vigilance Dept
11	Head of Commercial Vehicle Finance-VP
12	Head of Two Wheeler Finance
13	Head of Farm Equipment
14	Head of MSME
15	Head of Micro Home Finance
16	Head of Secured Personal Loan
17	Head of Digital Personal Loan
18	Head of Commercial Vehicle Finance-SVP
19	Head of Car loan
20	Head of Commercial Vehicle Finance-SVP

III. Role on ensuring Compliance on governance standards.

- The committee shall ensure that at all times, the board of the company has a fair combination of independent, non-executive and executive directors meeting the governance standards set by the board and in compliance with regulatory requirements, SEBI (LODR) Regulations, 2015 etc. prevailing from time to time.
- Ensure that the organization structure and flow of command meets the governance standard set for the internal management of the company.
- The committee may evaluate and put in place proper mechanism for refreshment trainings for directors on relevant subject.
- The committee shall evaluate and put in place a proper mechanism to ensure that the independence of independent directors are always maintained and to ensure that there are no situations which suggest the existence of circumstances resulting in the loss of independence of any directors of the company.
- The committee shall put in place subject to the provisions of applicable laws, policies and procedure for determining the retirement and re-appointment of independent and other directors on the board of the company.
- Committee shall ensure that at all times the sub committees of the Board is functioning and are constituted according to the regulatory requirement and governance policies of the company.
- The committee shall oversee the overall governance standards and policies of the company and delegation of authorities to match with the best practices in relation to the size of the company and the level of its operations to protect the interest of all stake holders.

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Other Powers

In addition to what is stated above, the Committee shall discharge such other functions as may be delegated to it by the Board or prescribed under any law, rules, regulations or orders or directions of any statutory or regulatory body including stock exchanges where the securities of the company are listed.

STAKEHOLDERS RELATIONSHIP AND SECURITIES TRANSFER COMMITTEE

Sl. No	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Mr. V.R. Ramachandran	30-10-2014	Independent, Non-Executive	4	4	10,30,0000
2	Mr. V.P. Nandakumar	25-07-2017	Non-Independent, Executive	4	4	24,54,54,221
3	Mr. P. Manomohan	30-10-2014	Independent, Non-Executive	4	4	7,93,582
4	Mr.S R Balasubramanian	24-03-2023	Non-Independent, Non - Executive	4	4	-
5	Adv. Veliath Pappu Seemandini	24-03-2023	Independent, Non-Executive	4	3	-

Details of change in Composition

Sl.No	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of change (resignation, appointment)	Effective date
1	NIL			

Terms of Reference

Scope

Stakeholders Relationship Committee was constituted to specifically look into the redressal of shareholder and investors complaints / grievances like transfer and transmission of securities, non-receipt of annual report/ notice/ declared dividends/ interest/ redemption amount, etc. and all other securities-holders related matters Securities Transfer Committee normally approves transfers, transmission, etc. of securities and issues split, duplicate certificates of securities issued by the Company

The role of the Stakeholders Relationship and Securities Transfer committee shall Inter-alia include the following

Resolving the grievances of the security holders of the listed entity 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.

Review of measures taken for effective exercise of voting rights by shareholders.

Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

RISK MANAGEMENT COMMITTEE (RMC)

Sl. No	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Abhijit Sen	06-11-2019	Independent, Non-Executive	4	4	-
2	Mr. P Manomohan	31-01-2008	Independent, Non-executive	4	4	7,93,582
3	Mr. V P Nandakumar	17-08-2009	Non-Independent, Executive	4	4	24,54,54,221
4	Dr. Shailesh J Mehta	01-10-2020	Independent, Non-Executive	4	4	5,00,000
5	Mr. Harshan Kollara	01-10-2020	Independent, Non-Executive	4	4	-
6	Ms.Pratima Ram	24-03-2023	Independent, Non-Executive	4	4	-



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Details of change in Composition

Sl. No	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of change (resignation, appointment)	Effective date
NIL				

- A) The purpose of the RMC reviews the risk management framework and risk appetite of the Company, examine the adequacy and effectiveness of the risk management policy, and ensure appropriate / adequate reporting to the Board with recommendations where required. To this effect the RMC will:
- (i) Oversee the development and implementation of the risk management strategy and practices by the Company and assess the effectiveness thereof.
 - (ii) Ensure that the Company has an appropriate and effective mechanism to identify, measure, control and monitor all applicable risks on a timely basis and as accurately as feasible.
 - (iii) Call for appropriate data/ information to confirm the risk assessments of the past or projections for the future including development of any key performance or risk tolerance indicators.
 - (iv) Ensure that the risk management policy in force is in tune with regulatory requirements, corporate governance standards, emerging new risks and industry best practices.
 - (v) Review major breaches in policy.
 - (vi) Appraise uncovered/ residual risks to the Board.
 - (vii) Continuous Monitoring of the existence of Cyber security in the Company
 - (viii) Assess the capacity of the Company to withstand major 'shocks', financial or otherwise, caused by market forces, regulatory directives, environment, any other external factors or internal upheavals.
 - (ix) To formulate a detailed risk management policy which shall include:
 - 1) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - 2) Measures for risk mitigation including systems and processes for internal control of identified risks.
 - 3) Business continuity plan.
 - (x) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
 - (xi) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
 - (xii) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
 - (xiii) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
 - (xiv) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
 - (xv) The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors."

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

- B) The RMC shall be empowered to call for any studies, information, data or analyses in matters pertaining to management of risk from the officers of the Company, issue orders for investigation on any risk related subject including constitution of any sub-committee for such purpose and seek the opinions or reports of independent experts/ professionals where considered desirable or essential.
- C) The Risk Management Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)

Sl. No	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Adv. V R Ramachandran	15-05-2014	Independent, Non-Executive	5	5	10,30,000
2	Mr. V P Nandakumar	11-03-2014	Non-Independent, Executive	5	5	24,54,54,221
3	Mr. Abhijit Sen	01-10-2020	Independent, Non-Executive	5	5	-
4	Mr.S R Balasubramanian	24-03-2023	Non-Independent, Non - Executive	5	5	-
6	Adv. Veliath Pappu Seemandini	24-03-2023	Independent, Non-Executive	5	5	-

Details of change in Composition

Sl.No	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of change (resignation, appointment)	Effective date
NIL				

Role of the CSR Committee include:-

- Formulate and Draft the CSR policy and recommend the same to the Board for approval;
- Review and recommend any new CSR initiatives to be taken up by the company including the selection/appointment of implementation agencies;
- Review the progress of CSR projects already undertaken by the company and the utilization of budgets for each such projects;
- Review and recommend any amendments to be made in the CSR policy of the Company;
- Formulate and recommend to the board monitoring and reporting mechanism for the projects or programmes.
- Formulate and recommend to the board details of need and impact assessment, if any, for the projects undertaken by the company.
- To carry such other functions as may be delegated to it by the board relating to CSR activities of the Company
- Review and recommend the CSR report to be included in the board's report.
- Formulate and recommend to the board the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act
- Formulate and recommend to the board the manner of execution of such projects or programmes.
- Formulate and recommend to the board the modalities of utilisation of funds and implementation schedules for the projects or programmes.



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

ASSET- LIABILITY MANAGEMENT COMMITTEE (ALCO)

Sl. No	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Mr. V P Nandakumar	8/17/2009	Chairman, Non-Independent, Executive	4	4	24,54,54,221
2	Mr. Madhumohan	7/17/2019	Member-CRO	4	4	NA
3	Mrs. Bindu A L	8/17/2009	Secretary-CFO	4	4	NA
4	Mr. Jayakrishnan*	1/12/2022	Member-Chief Credit Officer	4	4	NA

Terms of Reference of Asset - Liability Management Committee (ALCO):

- I. The committee shall meet once in a month and transact the following business;
 - a. Management of liquidity position, long term and short term.
 - b. Review of ALM Returns to be submitted to RBI.
 - c. Decision on disposal of surplus funds of the company for shorter durations (up to 6 months).
 - d. Pricing of the products of the company depending upon the cost and benefit analysis both on the asset side and liability side of the balance sheet.
 - e. Notwithstanding anything stated herein above, the committee shall consider and discharge such other functions as may be necessary for the day to day management of the company or such other functions as may be directed by RBI from time to time.
- II. CEO of the company shall act as the chairman of the committee and in his absence any other member shall act as the Chairman of the committee and shall chair the meeting.
- III. The committee shall have power to invite such other officers or employees of the company as and when required.
- IV. The committee shall function under the overall supervision of the Risk management committee constituted under RBI Directives.
- V. CFO shall act as the member secretary of the committee.

Discussion paper covering the following areas will be deliberated by ALCO namely;

- Liquidity risk management
- Management of market risk
- Funding and capital planning
- Profit planning and growth projection
- Forecasting and analyzing 'What if scenario' and preparation of contingency plans

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

FINANCIAL RESOURCE & MANAGEMENT COMMITTEE

Sl. No	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Mr. V P Nandakumar	3/12/2008	Non-Independent, Executive	19	19	24,54,54,221
2	Mr. P Manomohanan	3/12/2008	Independent, Non-Executive	19	19	7,93,582
3	Mr. V R Ramachandran	5/15/2019	Independent, Non-Executive	19	19	10,30,000
4	Ms. Pratima Ram	3/24/2023	Independent, Non-Executive	19	19	-
5	Dr. Sumitha Nandan	3/24/2023	Executive Director	19	14	-

Details of change in Composition

Sl.No	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of change (resignation, appointment)	Effective date
1	NIL			

Functions and Duties

The committee shall be responsible for overseeing and dealing with operational matters from time to time. Such matters include: -

(i) Investments

- To deliberate and make recommendation to the Board on all transactions and matters relating to the business of the company or its investments.
- Dispose the short term surplus of the company in eligible short term investment instruments and securities with a maturity period of not more than one year as recommended by the ALM committee of the company or to meet any statutory obligations or cash collaterals as part of lending arrangement or as caution deposits and also to authorize officers or directors for the purpose.

(ii) Financial Arrangements

- Approve financial arrangements whether as working capital demand loans or against assignment of receivables of the company or buy out of port folios or by such other means with banks and other financial institutions including the signing of such documents for facilities within the borrowing powers of the Board.
- Approve the creation of any mortgage/charge or other encumbrance over the company's properties or assets for the above purposes.
- Approve the issuing or providing or permitting the company to issue or provide any form of guarantee or indemnity or other financial or non-financial support in the ordinary course of business.
- To consider the issue of commercial papers and other short term or long term instruments for raising funds from the market.
- Authorize changes in signatories in respect of accounts maintained by the company with banks and other financial institutions.
- Authorization for opening, operation and Closing of Bank Accounts in different centres for different branches.
- Approve fully hedged foreign currency transactions, including External Commercial Borrowings, Trade Credits, Inter Corporate Deposits and Foreign currency denominated Loans with domestic and overseas banks, investor classes, corporate and other financial institutions.
- Buyback or Re-purchase of NCDs and other Debt Securities.
- Allotment of Debentures and Bonds: -



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

- 1) Approve the allotment of debentures and bonds including domestic and overseas fully hedged foreign currency instruments issued by the Company within in the overall limit set for the issue and the creation/modification/satisfaction of mortgage/charge on such debentures/bonds as the case may be.
 - 2) Allotment of Shares under Employees Stock Option Schemes approved by Board from time to time.
- j) Others:
- 1) Authorizing officers of the company for making necessary application for registration under different enactments for employee welfare, fiscal and other municipal or local or subordinate legislations.
 - 2) Authorizing officers of the company by grant of power of attorneys or by resolution so as to represent before Government, Judicial or quasi - judicial bodies or other authorities for sanction, approval or other permissions on such matters affecting the business of the company.
 - 3) Authorizing officers of the company by grant of power of attorneys or by way of resolution for matters in connection with day to day business activities, opening of branches, execution of rent/tenancy agreements, represent the company before any statutory or regulatory bodies.

Reporting to the Board

A summary of the business transacted by the committee as initiated by the Company Secretary shall be presented to the succeeding board meeting for the purpose of noting and recording.

DEBENTURE COMMITTEE

Sl. No	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Mr. V P Nandakumar	11/10/2001	Non-Independent, Executive	-	-	24,54,54,221
2	Ms. Bindu A L	11/13/2011	Member-CFO	-	-	82,275
3	Mr. Manoj Kumar VR	1/5/2019	Member-CS	-	-	20,000

Sl. No	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of change (resignation, appointment)	Effective date
NIL				

The functions of the Debenture Committee include:

- (i) authorization of any director or directors of the Company or other officer or officers of the Company, including by the grant of power of attorneys, to do such acts, deeds and things as such authorized person in his/her/its absolute discretion may deem necessary or desirable in connection with the issue, offer and allotment of the Bonds;
- (ii) giving or authorizing the giving by concerned persons of such declarations, affidavits, certificates, consents and authorities as may be required from time to time;
- (iii) appointing the lead managers to the issue in accordance with the provisions of the Debt Regulations;
- (iv) seeking, if required, any approval, consent or waiver from the Company's lenders, and/or parties with whom the Company has entered into various commercial and other agreements, and/or any/all concerned government and regulatory authorities in India, and/or any other approvals, consents or waivers that may be required in connection with the issue, offer and allotment of the Bonds;
- (v) deciding, approving, modifying or altering the pricing and terms of the Bonds, and all other related matters, including the determination of the size of the Bond issue up to the maximum limit prescribed by the Board and the minimum subscription for the Issue;

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

- (vi) approval of the draft and final prospectus or disclosure document as the case may be (including amending, varying or modifying the same, as may be considered desirable or expedient) as finalized in consultation with the lead managers, in accordance with all applicable laws, rules, regulations and guidelines;
- (vii) seeking the listing of the Bonds on any Indian stock exchange, submitting the listing application to such stock exchange and taking all actions that may be necessary in connection with obtaining such listing;
- (viii) appointing the registrar and other intermediaries to the Issue, in accordance with the provisions of the Debt Regulations
- (ix) finalization of and arrangement for the submission of the draft prospectus to be submitted to the Stock Exchange(s) for receiving comments from the public and the prospectus to be filed with the Stock Exchange(s), and any corrigendum, amendments supplements thereto;
- (x) appointing the debenture trustee and execution of the trust deed in connection with the Issue, in accordance with the provisions of the Debt Regulations;
- (xi) authorization of the maintenance of a register of holders of the Bonds;
- (xii) finalization of the basis of allotment of the Bonds including in the event of over-subscription;
- (xiii) finalization of the allotment of the Bonds on the basis of the applications received;
- (xiv) acceptance and appropriation of the proceeds of the Issue; and
- (xv) To generally do any other act and/or deed, to negotiate and execute any document/s, application/s, agreement/s, undertaking/s, deed/s, affidavits, declarations and certificates, and/or to give such direction as it deems fit or as may be necessary or desirable with regard to the Issue.

IT Strategy Committee

Sl. No	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Mr. S R Balasubramanian	11/13/2021	Non-executive Non-independent	5	5	-
2	Mr. Shailesh J Mehta	7/5/2022	Independent, Non-Executive	5	5	5,00,000
3	Mr. Abhijit Sen	11/6/2019	Independent, Non-Executive	5	5	-
4	Dr. Sumitha Nandan	24/3/2023	Executive Director	5	5	NA
5	Mr. Kannan K.J.	3/17/2022	Chief Information Security Officer	5	5	NA
6	Mr. Manikandan.T.G	3/17/2022	CTO	5	5	NA

Details of change in Composition

Sl.No	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of change (resignation, appointment)	Effective date
NIL				

Frequency of meetings, powers, roles and responsibilities and other matters / terms of reference of IT Strategy Committee related to IT Governance shall be as per RBI Master Direction including any amendments thereto from time to time. IT Strategy Committee will carry out review and amend the IT strategies in line with the corporate strategies, Board Policy reviews, cyber security arrangements and any other matters related to IT Governance. (RBI Master Direction on Information Technology Framework for the NBFC Sector (SI) dated June 08, 2017)

IT Strategy Committee may delegate any of its powers / roles / responsibilities and may constitute sub-committees including IT Steering Committee as may be required for complying with RBI Master Direction and proper implementation of IT Governance. Minutes of IT Strategy Committee shall periodically be placed before the Board.



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

3) General Body Meeting

Details of the date, place and special resolutions passed at the General Body Meetings.

Sl. No	Type of Meeting (Annual/ Extra- Ordinary)	Date and Place	Special resolutions passed
1	Annual General Meetings	17 th August 2023, Latha Convention Centre (formerly known as Anugraha Auditorium), Valapad, Thrissur, Kerala - 680 567 at 11.00 A.M,	<ol style="list-style-type: none"> 1. Re-appointment of Mr. V P Nandakumar (DIN: 00044512) as Managing Director and Chief Executive Officer of the Company for a period of five years with effect from April 01, 2024 2. Revision in remuneration payable to Mr. V P Nandakumar, Managing Director & Chief Executive Officer of the Company. 3. Revision in remuneration payable to Dr. Sumitha Nandan (DIN: 03625120), Whole time Director of the Company. 4. Alteration of the Articles of Association of the Company 5. Material Related Party Transaction(s) between the Company and Asirvad Micro Finance Limited, a subsidiary
2	Postal ballot	28.12.2023	Re-Appointment of Ms. Pratima Ram as an Independent Director, Appointment of Mr. T.C. Sussel Kumar and Mr. Sankaran Nair Rajagopal as Independent Director

4) Details of non-compliance with requirements of Companies Act, 2013

Details and reasons of any default in compliance with the requirements of Companies Act, 2013, including with respect to compliance with accounting and secretarial standards.

Regulator	Regulation	Amount of Penalty	Details
NIL			

5. Details of penalties and strictures

NBFCs should disclose details of penalties or stricture imposed on it by the Reserve Bank or any other statutory authority Nil

Regulator	Regulation	Amount of Penalty	Details
Assistant Commissioner of Central Tax, Vijayawada CGST Divisional Office	Section 74 of Central Goods and Services Tax Act, 2017 and Andhra Pradesh Goods and Services Tax Act, 2017 / Read with Integrated Goods and Services Tax Act, 2017	₹ 1.45 Crore	The Company is of the firm view that the allegation raised in the Order is not tenable. Further, the Company is in the process of filing an Appeal
Office of Deputy Commissioner, State GST, Raipur, Chhattisgarh	Section 61 & 73 of Central Goods and Services Tax Act, 2017 Read with Integrated Goods and Services Tax Act, 2017	₹ 0.36 Lakh	The Company is of the firm view that the allegation raised in the Order is not tenable. Further, the Company is in the process of filing an Appeal
Office of Deputy Commissioner, State GST, Panchkula, Haryana	Section 74(9) of Haryana Goods and Services Tax Act, 2017/ Central Goods and Services Tax Act, 2017 Read with Integrated Goods and Services Tax Act, 2017	₹ 8.93 Lakh	The Company is of the firm view that the allegation raised in the Order is not tenable. Further, the Company is in the process of filing an Appeal.
Office of the Assistant Commissioner of State Tax, Excise and Taxation Dept, Government of Punjab.	Section 73 of Punjab Goods and Services Tax Act, 2017/ Central Goods and Services Tax Act, 2017	₹ 856/-	Paid
Reserve Bank of India	clause (b) of sub-section (1) of Section 58 G read with clause (aa) of sub-section (5) of Section 58 B of the Reserve Bank of India Act, 1934.	₹ 42.78 lakh	Paid

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Regulator	Regulation	Amount of Penalty	Details
Reserve Bank of India	Non-compliance of provisions of the "Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016".	₹ 20 lakh	Paid
BSE	Non-disclosure of information related to payment obligations -Regulation 57(1) - For Month ended June 2023 - INE522D14NV1	₹ 34220/-	Set off the penalty with the penalty already waived off by BSE



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024

(All amounts are in millions, unless otherwise stated)

31st March, 2023

Sl. No	Name of Director	Director Since	Capacity (i.e. Executive/ Non-Executive/Chairman/Promoter nominee/Independent)	DIN	Number of Board Meetings		No. of other Directorships in listed entities	Remuneration			No. of shares held in and convertible instruments held in the NBFC
					Held	Attended		Salary and other compensation	Sitting Fee	Commission	
1	Mr.V.P.Nandakumar	7/15/1992	Promoter-Executive	00044512	8	8	1	101.3	-	85.0	24,54,54,221
2	Adv.V.R.Ramachandran	7/31/2014	Non-Executive -Independent	00046848	8	8	1	-	0.7	4.0	10,30,000
3	Mr.P.Manomohan	7/31/2014	Non-Executive -Independent	00042836	8	7	1	-	1.0	2.8	7,93,582
4	Mr.Gautam Ravi Narayan	2/8/2018	Non-Executive-Non-Independent	02971674	8	6	1	-	-	-	-
5	Ms. Pratima Ram	9/23/2022	Non-Executive -Independent	03518633	8	5	2	-	0.2	1.4	-
6	Mr. Abhijit Sen	8/27/2019	Non-Executive -Independent	00002593	8	8	4	-	0.8	4.7	-
7	Mr. Harshan Kollara	8/28/2020	Non-Executive -Independent	01519810	8	8	1	-	1.0	3.5	-
8	Mr.Shailesh J Mehta	8/28/2020	Non-Executive Chairman	01633893	8	8	2	-	1.0	10.0	5,00,000
9	Mr. S R Balasubramanian	6/28/2021	Non-Executive-Non-Independent	03200547	8	7	1	-	0.3	2.8	-
10	Dr.Sumitha Nandan	1/1/2023	Promoter Group-Executive	03625120	8	2	1	2.5	-	-	-
11	Adv. Veliath Pappu Seemandini	12/23/2022	Non-Executive -Independent	07850522	8	2	1	-	0.1	0.7	-
12	Ms. Sutapa Banerjee	4/1/2019	Non-Executive -Independent	02844650	8	1	5	-	0.2	0.9	-
13	Mr. B N Raveendra Babu	7/15/1992	Non-Executive-Non-Independent	00043622	8	-	1	-	-	-	12,65,236

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Details of change in composition of the Board during the current and previous financial year

Sl. No	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of change (resignation, appointment)	Effective date
1	Mr. B N Raveendra Babu	Non-Executive-Non-Independent	Resignation	18.05.2022
2	Ms. Sutapa Banerjee	Non-Executive -Independent	Resignation	04.07.2022
3	Ms. Pratima Ram	Non-Executive -Independent	Appointment	23.09.2022
4	Adv. Veliath Pappu Seemandini	Non-Executive -Independent	Appointment	23.12.2022
5	Dr.Sumitha Nandan	Promoter Group-Executive	Appointment	01.01.2023

Where an independent director resigns before expiry of her/ his term, the reasons for resignation as given by her/him shall be disclosed.

During the year, one Independent Director, Ms.Sutapa Banerjee (DIN: 02844650) resigned from the Board of the Company with effect from 04/07/2022 and in the resignation letter submitted to the Company, it was stated that the decision is based on her desire to pursue assignments in the area of behavioral design where her expertise can contribute significantly ,and hence, is in the process of limiting other engagements

Details of any relationship amongst the directors inter-se shall be disclosed

There is no relationship between Directors inter-se except below.

Dr.Sumitha Nandan (DIN:03625120) Executive Director is the daughter of Mr.V P Nandakumar (DIN:00044512), Managing Director of the Company

2. Committees of the Board and their composition

i. Mention the names of the committees of the Board

- 1 Audit Committee
- 2 Nomination, Compensation & Corporate Governance Committee
- 3 Stakeholders Relationship And Securities Transfer Committee
- 4 Risk Management Committee (Rmc)
- 5 Corporate Social Responsibility Committee (Csr Committee)
- 6 Asset- Liability Management Committee (Alco)
- 7 Financial Resource & Management Committee
- 8 Debenture Committee

AUDIT COMMITTEE

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Abhijit Sen	11/6/2019	Independent Director	8	8	-
2	Mr. Gautam Ravi Narayan	11/6/2018	Non-Executive, Non-	8	7	-
3	Mr. Harshan Kollara	10/1/2020	Independent Director	8	8	-
4	Mr.P.Manomohanan	10/25/2003	Independent Director	8	8	7,93,582
5	Mr.Shailesh J Mehta	10/1/2020	Independent Director	8	8	5,00,000
6	Ms. Sutapa Banerjee	4/1/2019	Independent Director	8	2	-
7	Ms.Pratima Ram	3/24/2023	Independent Director	0	0	-
8	Dr.Sumitha Nandan	3/24/2023	Non-Independent, Executive	0	0	-



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Terms of Reference:

1. Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board the appointment, reappointment, and if required, the replacement or removal of the statutory auditor and the fixation of audit fee.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing with management the annual financial statements before submission to the Board for approval with particular reference to:
 - a) Matters required to be included in the Directors 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.
 - 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 adjustment made in the financial statement arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to the financial statements.
 - f) Disclosure of any related party transactions.
 - g) Qualifications in the draft audit report.
5. Reviewing with the management the quarterly financial statements before submission to the board for approval.
6. 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 utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing with the management performance of the statutory and internal auditors and adequacy of the internal control system.
13. Reviewing the adequacy of internal audit function if any including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors regarding any significant findings and follow-up thereon.
15. 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.

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

16. Discussion with statutory auditors before audit commences about the nature and scope of audit as well as post-audit discussions to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payments to the depositors, debenture - holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. To review the function of whistle blower mechanism in case the same exists.
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Monitoring the end use of funds raised through public offers and related matters.
21. Carrying out any other function as mentioned in the terms of reference of audit committee.
22. Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore 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.
23. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

NOMINATION, COMPENSATION & CORPORATE GOVERNANCE COMMITTEE

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Harshan Kollara	11/13/2021	Independent, Non-Executive	7	7	0
2	Dr. Shailesh J Mehta	10/1/2020	Independent, Non-Executive	7	7	5,00,000
3	Mr. Gautam Ravi Narayan	5/15/2019	Independent, Non-Executive	7	6	0
4	Ms. Sutapa Banerjee*	4/1/2019	Independent, Non-Executive	7	3	0
5	Adv. Veliath Pappu Seemandini **	3/24/2023	Independent, Non-Executive	0	0	0

Details of change in Composition

Sl. No	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of change (resignation, appointment)	Effective date
1	Ms. Sutapa Banerjee*	Independent, Non-Executive	Resignation	04/07/2022
2	Adv. Veliath Pappu Seemandini **	Independent, Non-Executive	Appointment	3/24/2023

Terms of Reference of Nomination, Compensation and Corporate Governance Committee

Considering the statutory provisions under Section 178 of the Companies Act, 2013, provisions of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and the guidelines issued by the Reserve Bank of India on Corporate Governance of NBFCs, the role and responsibilities of the committee can be classified into three broader categories such as;

- I. of nomination
- II. of fixation of remuneration and performance evaluation
- III. of Governance.



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

The committee shall effectively discharge its roles and responsibilities in the following manner:

I. Role of Nomination:

- a) The Committee shall put in place a broader policy describing the qualification, experience and other positive attributes for selection of Executive/whole time directors including their age of retirement.
- b) The committee shall formulate and put in place guiding principles to determine the qualities, qualifications, and the parameters to determine the 'fit and proper' criteria for appointment of independent Directors keeping in mind the diversity quotient the company's board shall maintain from time to time and subject to the applicable regulatory requirements.
- c) Filling in a timely manner vacancy on the board of the company including the position of executive/whole time directors.
- d) Selection of directors, key management personnel and persons to be appointed in senior management positions as defined by the board and recommend to the board for their appointment and removal thereof.

II Role of Fixing Remuneration and Evaluation of Performance.

- a. The committee shall formulate and recommend to the Board of Directors of the Company for its approval a policy relating to the remuneration for the Directors, Key managerial Personnel, Senior Management* and other employees from time to time.
- b. The policy as aforesaid shall be formulated to ensure that-
 1. The level and composition of remuneration are reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
 2. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 3. 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;
- c. The committee shall review the performance of individual directors of the company on a yearly basis at the end of each financial year or at such periodicity as the committee deems fit and recommend to the board on the basis of such review, whether a director to be recommended for re- appointment or not.
- d. The committee shall review the performance of the Executive/Whole time Directors of the company and fix suitable compensation packages in consideration of their performance, contributions, the general business environment in which the company operates and financial position of the company. The remuneration package may be a combination of fixed and performance based bonus/incentives for the period under review.
- e. The committee shall along with the management review the performance of Key managerial personnel and senior management* persons on a periodical basis and fix their remuneration packages in accordance with the policies approved by the Board. The period of gap between two such reviews shall not elapse fifteen months.
- f. As per SEBI (LODR) Regulations, 2018 (Amendment Regulations) dated May 9, 2018, the additional responsibilities entrusted with Nomination Compensation and Corporate Governance Committee with effect from 1st April 2019 are as follows: -
 1. NRC shall revisit the list of Senior Management to assess the additions to the list.
 2. NRC shall recommend remuneration of Senior Management* to the Board
 3. Formulating Succession Planning for Senior Management.

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

4. Review and affirm the senior management* shall abide by the code of conduct on an annual basis.
5. Senior Management* shall make disclosure to the Board relating to all material, Financial and Commercial transactions, where they have a personal interest that may have a potential conflict with the interest of the Company at a large.

*For the purpose of this Code the term 'senior management' shall mean the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.

*For the purpose of this Code the term "Senior Management" shall mean and include Chief Financial Officer, Head - Analytics and Business Review, Company Secretary, Vice President - Compliance, Chief Risk Officer, Head - Information Technology Department, Head - Human Resource Department, Head - Internal Audit Department, HRM Training Head, Head of Sales Dept, Head of Operation Dept, Head of Vigilance Dept

III. Role on ensuring Compliance on governance standards.

- a. The committee shall ensure that at all times, the board of the company has a fair combination of independent, non-executive and executive directors meeting the governance standards set by the board and in compliance with regulatory requirements, SEBI (LODR) Regulations, 2015 etc. prevailing from time to time.
- b. Ensure that the organization structure and flow of command meets the governance standard set for the internal management of the company.
- c. The committee may evaluate and put in place proper mechanism for refreshment trainings for directors on relevant subject.
- d. The committee shall evaluate and put in place a proper mechanism to ensure that the independence of independent directors are always maintained and to ensure that there are no situations which suggest the existence of circumstances resulting in the loss of independence of any directors of the company.
- e. The committee shall put in place subject to the provisions of applicable laws, policies and procedure for determining the retirement and re-appointment of independent and other directors on the board of the company.
- f. Committee shall ensure that at all times the sub committees of the Board is functioning and are constituted according to the regulatory requirement and governance policies of the company.
- g. The committee shall oversee the overall governance standards and policies of the company and delegation of authorities to match with the best practices in relation to the size of the company and the level of its operations to protect the interest of all stake holders.

Other Powers

In addition to what is stated above, the Committee shall discharge such other functions as may be delegated to it by the Board or prescribed under any law, rules, regulations or orders or directions of any statutory or regulatory body including stock exchanges where the securities of the company are listed.



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

STAKEHOLDERS RELATIONSHIP AND SECURITIES TRANSFER COMMITTEE

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Mr. V.R. Ramachandran	30-10-2014	Independent, Non-Executive	4	4	10,30,000
2	Mr. V.P. Nandakumar	25-07-2017	Non-Independent, Executive	4	4	24,54,54,221
3	Mr. B.N. Raveendra Babu*	27-07-2017	Non-Independent, Non - Executive	4	1	1265236
4	Mr. P. Manomohan	30-10-2014	Independent, Non-Executive	4	4	7,93,582
5	Mr.S R Balasubramanian**	24-03-2023	Non-Independent, Non - Executive	0	0	0
6	Adv. Veliath Pappu Seemandini ***	24-03-2023	Independent, Non-Executive	0	0	0

Scope

Stakeholders Relationship Committee was constituted to specifically look into the redressal of shareholder and investors complaints / grievances like transfer and transmission of securities, non-receipt of annual report/ notice/ declared dividends/ interest/ redemption amount, etc. and all other securities-holders related matters. Securities Transfer Committee normally approves transfers, transmission, etc. of securities and issues split, duplicate certificates of securities issued by the Company.

The role of the Stakeholders Relationship and Securities Transfer committee shall Inter-alia include the following

Resolving the grievances of the security holders of the listed entity 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.

Review of measures taken for effective exercise of voting rights by shareholders.

Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

RISK MANAGEMENT COMMITTEE (RMC)

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Abhijit Sen	06-11-2019	Independent, Non-Executive	4	4	0
2	Mr. P Manomohan	31-01-2008	Independent, Non-executive	4	4	7,93,582
3	Mr. Gautam Ravi Narayan	06-11-2018	Non-Independent, Non-Executive	4	3	0
4	Mr. V P Nandakumar	17-08-2009	Non-Independent, Executive	4	4	24,54,54,221
5	Dr. Shailesh J Mehta	01-10-2020	Independent, Non-Executive	4	4	5,00,000
6	Mr. Harshan Kollara	01-10-2020	Independent, Non-Executive	4	4	0
7	Ms.Pratima Ram*	24-03-2023	Independent, Non-Executive	0	0	0

PURPOSE AND SCOPE OF RMC & POWERS

A) The purpose of the RMC is to review the risk management framework and risk appetite of the Company, examine the adequacy and effectiveness of the risk management policy, and ensure appropriate / adequate reporting to the Board with recommendations where required. To this effect the RMC will:

- (i) Oversee the development and implementation of the risk management strategy and practices by the Company and assess the effectiveness thereof.
- (ii) Ensure that the Company has an appropriate and effective mechanism to identify, measure, control and monitor all applicable risks on a timely basis and as accurately as feasible.

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

- (iii) Call for appropriate data/ information to confirm the risk assessments of the past or projections for the future including development of any key performance or risk tolerance indicators.
- (iv) Ensure that the risk management policy in force is in tune with regulatory requirements, corporate governance standards, emerging new risks and industry best practices.
- (v) Review major breaches in policy.
- (vi) Appraise uncovered/ residual risks to the Board.
- (vii) Continuous Monitoring of the existence of Cyber security in the Company
- (viii) Assess the capacity of the Company to withstand major 'shocks', financial or otherwise, caused by market forces, regulatory directives, environment, any other external factors or internal upheavals.
- (ix) To formulate a detailed risk management policy which shall include:
 - a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - b) Measures for risk mitigation including systems and processes for internal control of identified risks.
 - c) Business continuity plan.
- (x) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (xi) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (xii) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (xiii) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (xiv) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
- (xv) The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors."
- B) The RMC shall be empowered to call for any studies, information, data or analyses in matters pertaining to management of risk from the officers of the Company, issue orders for investigation on any risk related subject including constitution of any sub-committee for such purpose and seek the opinions or reports of independent experts/ professionals where considered desirable or essential.
- C) The Risk Management Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Ms. Sutapa Banerjee*	01-04-2019	Independent, Non-Executive	5	1	0
2	Adv. V R Ramachandran	11-03-2014	Independent, Non-Executive	5	5	10,30,000
3	Mr. V P Nandakumar	15-05-2014	Non-Independent, Executive	5	4	24,54,54,221
4	Mr. Abhijit Sen	01-10-2020	Independent, Non-Executive	5	5	0
5	Mr.S R Balasubramanian**	24-03-2023	Non-Independent, Non - Executive	0	0	0
6	Adv. Veliath Pappu Seemandini	24-03-2023	Independent, Non-Executive	0	0	0

Role of the CSR Committee include

- Review and recommend any new CSR initiatives to be taken up by the Company including the selection / appointment of implementation agencies.
- Review the progress of CSR projects already undertaken by the Company and utilization of budgets for each such projects.
- Review and recommend the CSR report to be included in the Board's report.
- Review and recommend any amendments to be made in the CSR policy of the Company.
- Formulation and recommend to the Board an Annual Action Plan
- To carry such other functions as may be delegated to it by the Board relating to CSR activities of the Company

ASSET- LIABILITY MANAGEMENT COMMITTEE (ALCO)

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Mr. V P Nandakumar	8/17/2009	Chairman, Non-Independent, Executive	4	4	24,54,54,221
2	Mr. Madhumohan	7/17/2019	Member-CRO	4	4	NA
3	Mrs. Bindu A L	8/17/2009	Secretary-CFO	4	4	NA
4	Mr. Jayakrishnan*		Invitee-Chief Credit Officer	4	1	NA

Terms of Reference of Asset - Liability Management Committee (ALCO):

- The committee shall meet once in a month and transact the following business;
 - Management of liquidity position, long term and short term.
 - Review of ALM Returns to be submitted to RBI.
 - Decision on disposal of surplus funds of the company for shorter durations (up to 6 months).
 - Pricing of the products of the company depending upon the cost and benefit analysis both on the asset side and liability side of the balance sheet.
 - Notwithstanding anything stated herein above, the committee shall consider and discharge such other functions as may be necessary for the day to day management of the company or such other functions as may be directed by RBI from time to time.
- CEO of the company shall act as the chairman of the committee and in his absence any other member shall act as the Chairman of the committee and shall chair the meeting.

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

- III. The committee shall have power to invite such other officers or employees of the company as and when required.
- IV. The committee shall function under the overall supervision of the Risk management committee constituted under RBI Directives.
- V. CFO shall act as the member secretary of the committee.

Discussion paper covering the following areas will be deliberated by ALCO namely;

- Liquidity risk management
- Management of market risk
- Funding and capital planning
- Profit planning and growth projection
- Forecasting and analyzing 'What if scenario' and preparation of contingency plans

FINANCIAL RESOURCE & MANAGEMENT COMMITTEE

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Mr. V P Nandakumar	3/12/2008	Non-Independent, Executive	17	17	24,54,54,221
2	Mr. B N Raveendra Babu	11/28/2012	Non-Independent, Non - Executive	1	0	12,65,236
3	Mr. P Manomohanan	3/12/2008	Independent, Non-Executive	17	17	7,93,582
4	Mr. V R Ramachandran	5/15/2019	Independent, Non-Executive	17	17	0
5	Ms.Pratima Ram	3/24/2023	Independent, Non-Executive	0	0	0
6	Dr.Sumitha Nandan	3/24/2023	Executive Director	0	0	0

Functions and Duties

The committee shall be responsible for overseeing and dealing with operational matters from time to time. Such matters include: -

(i) Investments

- (a) To deliberate and make recommendation to the Board on all transactions and matters relating to the business of the company or its investments.
- (b) Dispose the short term surplus of the company in eligible short term investment instruments and securities with a maturity period of note more than one year as recommended by the ALM committee of the company or to meet any statutory obligations or cash collaterals as part of lending arrangement or as caution deposits and also to authorize officers or directors for the purpose.

(ii) Financial Arrangements

- a) Approve financial arrangements whether as working capital demand loans or against assignment of receivables of the company or buy out of port folios or by such other means with banks and other financial institutions including the signing of such documents for facilities within the borrowing powers of the Board.
- b) Approve the creation of any mortgage/charge or other encumbrance over the company's properties or assets for the above purposes.
- c) Approve the issuing or providing or permitting the company to issue or provide any form of guarantee or indemnity or other financial or non-financial support in the ordinary course of business.
- d) To consider the issue of commercial papers and other short term or long term instruments for raising funds from the market.



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

- e) Authorize changes in signatories in respect of accounts maintained by the company with banks and other financial institutions.
- f) Authorization for opening, operation and Closing of Bank Accounts in different centres for different branches.
- g) Approve fully hedged foreign currency transactions, including External Commercial Borrowings, Trade Credits, Inter Corporate Deposits and Foreign currency denominated Loans with domestic and overseas banks, investor classes, corporate and other financial institutions.
- h) Buyback or Re-purchase of NCDs and other Debt Securities.
- i) Allotment of Debentures and Bonds: -
 - a) Approve the allotment of debentures and bonds including domestic and overseas fully hedged foreign currency instruments issued by the Company within in the overall limit set for the issue and the creation/modification/satisfaction of mortgage/charge on such debentures/bonds as the case may be.
 - b) Allotment of Shares under Employees Stock Option Schemes approved by Board from time to time.
- j) Others:
 - a) Authorizing officers of the company for making necessary application for registration under different enactments for employee welfare, fiscal and other municipal or local or subordinate legislations.
 - b) Authorizing officers of the company by grant of power of attorneys or by resolution so as to represent before Government, Judicial or quasi - judicial bodies or other authorities for sanction, approval or other permissions on such matters affecting the business of the company.
 - c) Authorizing officers of the company by grant of power of attorneys or by way of resolution for matters in connection with day to day business activities, opening of branches, execution of rent/tenancy agreements, represent the company before any statutory or regulatory bodies.

Reporting to the Board

A summary of the business transacted by the committee as initialled by the Company Secretary shall be presented to the succeeding board meeting for the purpose of noting and recording.

DEBENTURE COMMITTEE

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Mr. V P Nandakumar	11/10/2001	Non-Independent, Executive	0	0	24,54,54,221
2	Mr. B N Raveendra Babu*	11/10/2001	Non-Independent, Non - Executive	0	0	12,65,236
3	Ms. Bindu A L	11/13/2011	Member-CFO	0	0	NA
4	Mr. Manoj Kumar VR	1/5/2019	Member-CS	0	0	NA

The functions of the Debenture Committee include:

- (i) authorization of any director or directors of the Company or other officer or officers of the Company, including by the grant of power of attorneys, to do such acts, deeds and things as such authorized person in his/her/its absolute discretion may deem necessary or desirable in connection with the issue, offer and allotment of the Bonds;
- (ii) giving or authorizing the giving by concerned persons of such declarations, affidavits, certificates, consents and authorities as may be required from time to time;
- (iii) appointing the lead managers to the issue in accordance with the provisions of the Debt Regulations;

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

- (iv) seeking, if required, any approval, consent or waiver from the Company's lenders, and/or parties with whom the Company has entered into various commercial and other agreements, and/or any/all concerned government and regulatory authorities in India, and/or any other approvals, consents or waivers that may be required in connection with the issue, offer and allotment of the Bonds;
- (v) deciding, approving, modifying or altering the pricing and terms of the Bonds, and all other related matters, including the determination of the size of the Bond issue up to the maximum limit prescribed by the Board and the minimum subscription for the Issue;
- (vi) approval of the draft and final prospectus or disclosure document as the case may be (including amending, varying or modifying the same, as may be considered desirable or expedient) as finalized in consultation with the lead managers, in accordance with all applicable laws, rules, regulations and guidelines;
- (vii) seeking the listing of the Bonds on any Indian stock exchange, submitting the listing application to such stock exchange and taking all actions that may be necessary in connection with obtaining such listing;
- (viii) Appointing the registrar and other intermediaries to the Issue, in accordance with the provisions of the Debt Regulations;
- (ix) finalization of and arrangement for the submission of the draft prospectus to be submitted to the Stock Exchange(s) for receiving comments from the public and the prospectus to be filed with the Stock Exchange(s), and any corrigendum, amendments supplements thereto;
- (x) appointing the debenture trustee and execution of the trust deed in connection with the Issue, in accordance with the provisions of the Debt Regulations;
- (xi) authorization of the maintenance of a register of holders of the Bonds;
- (xii) finalization of the basis of allotment of the Bonds including in the event of over-subscription;
- (xiii) finalization of the allotment of the Bonds on the basis of the applications received; (xiv) acceptance and appropriation of the proceeds of the Issue; and
- (xiv) To generally do any other act and/or deed, to negotiate and execute any document/s, application/s, agreement/s, undertaking/s, deed/s, affidavits, declarations and certificates, and/or to give such direction as it deems fit or as may be necessary or desirable with regard to the Issue.

IT Strategy Committee

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Mr. S R Balasubramanian	11/13/2021	Non-executive Non-independent	4	4	0
2	Mr. Shailesh J Mehta	7/5/2022	Independent, Non-Executive	4	3	5,00,000
3	Mr. Abhijit Sen	11/6/2019	Independent, Non-Executive	4	4	0
4	Mr. Dileep Kumar Mukundan	11/6/2019	Chief Information Security Officer	4	2	NA
5	Mr. Kannan K.J.	3/17/2022	Chief Information Security Officer	4	4	NA
6	Mr. Manikandan.T.G	3/17/2022	CTO	4	3	NA



Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Details of change in Composition

Sl.No	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of change (resignation, appointment)	Effective date
1	Mr. Shailesh J Mehta	Independent, Non-Executive	Appointment	7/5/2022

Frequency of meetings, powers, roles and responsibilities and other matters / terms of reference of IT Strategy Committee related to IT Governance shall be as per RBI Master Direction including any amendments thereto from time to time. IT Strategy Committee will carry out review and amend the IT strategies in line with the corporate strategies, Board Policy reviews, cyber security arrangements and any other matters related to IT Governance. (RBI Master Direction on Information Technology Framework for the NBFC Sector (SI) dated June 08, 2017)

IT Strategy Committee may delegate any of its powers / roles / responsibilities and may constitute sub-committees including IT Steering Committee as may be required for complying with RBI Master Direction and proper implementation of IT Governance. Minutes of IT Strategy Committee shall periodically be placed before the Board.

3) Give details of the date, place and special resolutions passed at the General Body

Sl. No	Type of Meeting (Annual/ Extra- Ordinary)	Date and Place	Special resolutions passed
1	Annual General Meetings	25 th August 2022, Latha Convention Centre (formerly known as Anugraha Auditorium), Valapad, Thrissur, Kerala - 680 567 at 11.00 A.M,	NIL
2	Postal ballot	12.12.2022	Appointment of Ms. Pratima Ram (DIN: 03518633) as an Independent Director
3	Postal ballot	03.02.2023	To approve appointment of Adv. Veliath Pappu Seemandini (DIN: 07850522) as Non-Executive Independent Director of the Company

4) Details of non-compliance with requirements of Companies Act, 2013 : Nil

5) Detail of penalties and strictures

Regulator	Regulation	Amount of Penalty	Paid details
RBI	Paragraphs 9.1(i)(a) and 9.1(i)(b) of the Master Direction on Issuance and Operation of PPIs in India (PPI MD) dated October 11, 2017 (updated as on February 28, 2020) and paragraph 3(a)(xiii) & Paragraph 16 of KYC Master Direction. Charge:- Contraventions in collection of OVDs while conversion of PPIs into full KYC PPI, presence of junk OVD numbers or no OVD numbers in customer database. Opened minimum detail wallets with no OVD numbers or junk OVD numbers or with OVD numbers that did not follow their known format. RBI SCN DPSS.CO.OVRST.No.S514/06.07.004/ 2021-22 dated September 07, 2021 and RBI Speaking Order dated Mar 24, 2022.	17,63,965/-	Penalty paid on 02-04-2022.UTR No. AXSK221270002838

Notes

to Standalone Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 72: Divergence in asset classification and provisioning above a certain threshold to be decided by the Reserve Bank.

Divergence in asset classification and provisioning above a certain threshold to be decided by the Reserve Bank:-Nil

Note 73: Items of income and expenditure of exceptional nature.

There are no items of income and expenditure of exceptional nature for the financial years ended March 31, 2024 and March 31, 2023

Note 74: Disclosure on modified opinion, if any, expressed by auditors, its impact on various financial items and views of management on audit qualifications

The auditors have expressed an unmodified opinion on the standalone financial statements of the Company for the financial years ended March 31, 2023 and March 31, 2024.

Note 75: Disclosure on Long Tem Contracts

The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses

Note 76: Disclosure on Investor Education and Protection Fund

Amount of Unclaimed dividend 4.40 Mn transferred to the Investor Education and Protection Fund during the year 2023-24.

Note 77: Unsecured advances

The Company has not granted unsecured advances against collateral of intangible securities such as charge over the rights, licenses or authority

Note 78: Previous year figures

Previous year figures have been regrouped/reclassified, where necessary, to conform current year's classification.

As per our Report of even date

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No:105047W

Sd/-
Tushar Kurani
Partner
Membership No: 118580
Place :Kolkata

For **S K Patodia & Associates LLP**
Chartered Accountants
ICAI Firm Registration No:112723W/W100962

Sd/-
Ankush Goyal
Partner
Membership No:146017

Place: Valapad
Date: 24th May, 2024

For and on behalf of the Board of Directors

Sd/-
V. P. Nandakumar
Managing Director & CEO
DIN: 00044512

Sd/-
Bindu A. L
Chief Financial Officer

Place: Valapad
Date: 24th May, 2024

Sd/-
V. R. Ramachandran
Non Executive Director
DIN:00046848

Sd/-
Manoj Kumar V. R
Company Secretary



(All amounts are in millions, unless otherwise stated)

Annexure I**Schedule to the Balance Sheet of a Non -Banking Financial Company**

(as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007)

Particulars		
Liabilities side :	Amount Outstanding	Amount Overdue
(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid :		
(a) Debentures : Secured	35,982.71	
: Unsecured		
(other than falling within the meaning of public deposits*)		
(b) Deferred Credits		
(c) Term Loans	104,062.42	
(d) Inter-corporate loans and borrowing	-	
(e) Commercial Paper	8,357.10	
(f) Public Deposits*	-	
(g) Other Loans (specify nature)		
Subordinate bond	-	
Bank	76,266.08	
USD Bond	-	
Others	-	
* Please see Note 1 below		
(2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :		
(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		
* Please see Note 1 below		
Assets side :	Amount outstanding	
(3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :		
(a) Secured		286,031.52
(b) Unsecured		7,475.43
(4) Break up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities		
(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) Hypothecation loans counting towards EL/HP activities		
(a) Loans where assets have been repossessed		
(b) Loans other than (a) above		

(5) Break-up of Investments :
Current Investments :

1. Quoted

(i) Shares

(a) Equity

(b) Preference

(ii) Debentures and Bonds

(iii) Units of mutual funds

(iv) Government Securities

(v) Others (please specify)

2. Unquoted

(i) Shares

(a) Equity

(b) Preference

(ii) Debentures and Bonds

(iii) Units of mutual funds

(iv) Government Securities

(v) Others (please specify)

Long Term investments :

1. Quoted:

(i) Share

(a) Equity

0.36

(b) Preference

(ii) Debentures and Bonds

(iii) Units of mutual funds

(iv) Government Securities

2. Unquoted

(i) Shares

(a) Equity

12,936.44

(b) Preference

(ii) Debentures and Bonds

1,648.41

(iii) Units of mutual funds

(iv) Government Securities

3,070.85

(v) Others (please specify)PTC

-

**(6) Borrower group-wise classification of all leased assets, stock on hire and loans and advances :**

Please see Note 2 below

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties **			
(a) Subsidiaries			
(b) Companies in the same group			
(c) Other related parties			
2. Other than related parties	286,031.52	7,475.43	293,506.95
Total			

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) : Please see note 3 below

Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties **		
(a) Subsidiaries	14,584.85	14,584.85
(b) Companies in the same group		
(c) Other related parties		
2. Other than related parties	3,070.85	3,070.85

** As per Accounting Standard of ICAI (Please see Note 3)

(8) Other information

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related parties	
(b) Other than related parties	5,466.58
(ii) Net Non Performing Assets	
(a) Related parties	
(b) Other than related parties	
(iii) Assets acquired in satisfaction of debt	

Notes :

- As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007"
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.

Independent Auditors' Report

To the Members of Manappuram Finance Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **Manappuram Finance Limited** (hereinafter referred to as the "Holding Company"), and its subsidiaries together referred to as ("the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2024, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, Consolidated Financial Statements, the aforesaid Consolidated 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 Companies (Indian Accounting Standards) Rules, 2023, as amended (the "Rules") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2024, of consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for

the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw your attention to Note 59 in the consolidated financial statements in respect of Emphasis of Matter drawn by the auditor of Asirvad Micro Finance Limited, Subsidiary, in its audit report on the financial statements vide its Report dated May 22, 2024 reproduced by us as under:

"Pursuant to the requirements of IND AS 8 on Accounting Policies, changes in Accounting Estimates and Errors, during the year Asirvad Micro Finance Limited (Subsidiary) has carried out restatement of the comparative financial information for the year ended 31 March 2023, and reporting periods beginning 01 April 2022"

Our opinion on the consolidated financial statements is not modified with respect to this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements for the year ended March 31, 2024. These matters were addressed in the context of our audit of the Consolidated 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:



Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1.	<p>Interest Income on Gold Loans:</p> <p>Interest Income on Gold Loan is based on the various gold loan schemes provided by the Company which is netted off against the rebates & discounts given for prompt or early payments. The calculation of the rebates & discount amounts netted off against the interest income involve complexities on account of descretion & managment judgement which is dependent upon the timing and period of repayment under the different schemes. Penal interest charged on account of delay payments dependent on the nature & period of delay and hence subject to judgement.</p> <p>Considering the significance of interest income on gold loans and the above factors we have considered Interest Income on gold loan as Key Audit Matter</p>	<p>Our audit procedures in respect of this matter included the following but not limited to:</p> <ul style="list-style-type: none">• Obtained an understanding of management’s process, systems/applications and controls implemented on in relation to computation & recognition of interest income on gold loans.• Evaluated and validated the design, implementation and operating effectiveness of key internal financial controls pertaining to the recognition of the various gold loan schemes and interest income thereon, including rebates & discounts.• The entire computation of interest income is automated and system driven. We have performed the following audit procedure with respect to around interest income on gold loans:<ul style="list-style-type: none">i. Selected samples and verified accuracy of interest income under various gold loans schemes by performing recomputation.ii. Selected samples of continuing and new gold loan schemes and tested the operating effectiveness of the internal control, relating to interest income computation. We also carried out a combination of procedures involving inquiry, and observation and inspection of evidence in respect of operation of these controls.iii. Performed analytical procedures and test of details procedures for testing the accuracy and completeness of revenue recognized.iv. Tested the relevant IT general controls around access and change management relating to interest income computation and related information used in interest computation.v. Obtained the list of modifications made in the interest scheme master during the year and verified the same on test check basis.vi. Assessed the appropriateness, accuracy and adequacy of related presentation and disclosures in accordance with the applicable accounting standards.

Sr. Key Audit Matter No	How the Key Audit Matter was addressed in our audit
<p>2 Provision for Expected Credit Losses (ECL) on Loans:</p> <p>In accordance with IND AS 109, the Company applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the loans assets. Significant judgements are used in classifying loan assets and applying appropriate measurement principles. The allowance for expected credit losses ("ECL") involves a significant level of management judgement and estimation uncertainty in the following key areas:</p> <ul style="list-style-type: none"> Assessing whether there has been a significant increase in credit risk for exposures since its initial recognition by comparing the risk of default occurring over the expected life of the asset between the date of initial recognition and the reporting date, which involves estimation uncertainty in computing the default risk over life of the assets which is likely to be more than one year. Classification of loan assets to stage 1, 2, or 3 using criteria in accordance with Ind AS 109 where no significant increase in credit risk has been observed, such assets are classified in "Stage 1", loans that are considered to have significant increase in credit risk are not credit impaired are considered to be in "Stage 2" and those which are in default or for which there is an objective evidence of impairment are considered to be in "Stage 3". Such classification requires significant management judgements due to the nature of loan assets and assessment required thereon. Determination of Exposures at Default ("EAD"), probability of defaults (PD) and estimation of loss given defaults (LGD). The probability of default for the pools are computed based on the historical trends, adjusted with any forward looking factors which is subject to estimation uncertainty. Similarly the Company computes the Loss Given Default based on the recovery rates as estimated by management. <p>Considering the above, allowance for Expected Credit Loss on Loan Assets requires a high degree of judgement and estimation uncertainty, with a potential range of outcomes which have a significant impact on the financial statements. Accordingly, we have determined Provision for Expected Credit Losses (ECL) on Loans as Key Audit Matter.</p>	<p>Our audit procedures in respect of this matter included the following, but not limited to:</p> <ul style="list-style-type: none"> Examined policies approved by the Board of Directors for computation of ECL that addresses procedures and controls for assessing and measuring credit risk on all lending exposures commensurate with the size, complexity and risk profile specific to the Company. Evaluated & validated the design and operating effectiveness of controls across the processes relevant to allowance for ECL. These controls, among others, included controls over the allocation of assets into stages including management's monitoring of stage effectiveness, model monitoring including the need for post model adjustments, model validation, credit monitoring, individual/ collective provisions and production of journal entries and disclosures. Verified the completeness of loans included in the Expected Credit Loss calculations as of 31 March 2024. Selected samples & verified appropriateness of classification of loan assets in stage 1, 2 and 3 in accordance with the policy approved by the Board of Directors. Selected samples of exposure and verified the appropriateness of determining Exposure at Default (EAD), PD and LGD. Further, also checked the appropriateness of information used in the estimation of the Probability of Default ("PD") and Loss given Default ("LGD") for the different stages depending on the nature of the portfolio. Performed an overall assessment of the ECL provision levels at each stage. Assessed the adequacy and appropriateness of disclosures in compliance with the Ind AS 107 in relation to ECL especially in relation to judgements used in estimation of ECL provision.



Sr. Key Audit Matter No	How the Key Audit Matter was addressed in our audit
<p>3 Information Technology (“IT”) Systems and Controls</p> <p>The Company has a complex IT system to support its recording of customer’s operational data, business processes, ensuring complete and accurate processing of financial transactions and supporting the overall internal control framework.</p> <p>In particular, the IT system is used for recording all disbursements and collections, identification and tagging of pledged loans to customers and calculating interest income and overdue days.</p> <p>The Company’s accounting and financial reporting processes are dependent on automated controls enabled by IT systems which impacts key financial accounting and reporting items such as loans, interest income, impairment on loans amongst others.</p> <p>The reliability and security of IT systems play a key role in the business operation. The controls implemented by the Company in its IT environment determine the integrity, accuracy, completeness and validity of data that is processed by the applications and is ultimately used for financial reporting.</p> <p>Accordingly, we have identified ‘IT systems and controls’ as key audit matter because of the high level automation, significant number of systems being used by the management and the complexity of the IT architecture and its impact on the financial reporting system.</p>	<p>Our audit procedures with respect to this matter included the following, but were not limited to the following:</p> <ul style="list-style-type: none"> Involved IT specialists as part of the audit for the purpose of testing the IT general controls and application controls (automated and semiautomated controls) to determine the accuracy of the information produced by the Company’s IT systems; Obtained a comprehensive understanding of IT applications landscape implemented at the Company. It was followed by process understanding, mapping of applications to the same and understanding financial risks posed by people-process and technology; Tested design and operating effectiveness of key controls operating over user access management, change management, computer operations (which includes testing of key controls pertaining to, backup and incident management and data centre security), System interface controls. This included testing that requests for access to systems were appropriately logged, reviewed, and authorized. Tested the design and operating effectiveness of certain automated controls, that were considered as key internal system controls over financial reporting were tested. Using various techniques such as inquiry, review of documentation / record / reports, observation, and re-performance. We also tested few controls using negative testing technique; Tested compensating controls and performed alternate procedures, where necessary. In addition, understood where relevant, changes made to the IT landscape during the audit period.

The auditors of Asirvad Micro Finance Limited, vide their audit report dated May 22, 2024, have expressed an unmodified opinion on the financial statements. Based on consideration of their report, the following Key Audit Matter was included in the audit report.

Sr. Key Audit Matter No	Auditor’s Response
<p>1. Expected Credit Loss - Impairment of carrying value of loans and advances</p> <p>Under Ind AS 109, Expected Credit Losses (‘ECL’) are required to be determined for recognizing impairment losses on financial assets which are stated at amortized cost. The Company exercises significant judgment using assumptions in recognizing impairment provision for loans and advances.</p> <p>The computation of impairment provision or ECL is based on significant management estimates and judgments, which are as under:</p> <ul style="list-style-type: none"> Judgements about credit risk characteristics for collective evaluation of impairment under various stages of ECL 	<p>Performed following audit procedures:</p> <ul style="list-style-type: none"> Read the Company’s Board approved Ind AS 109 based impairment provisioning Methodology and Estimates policy. Understood and assessed the Company’s process and controls on measurement and recognition of impairment in the loan portfolio. Verified on a sample basis, loans in stage 1, 2 and 3 to ascertain that they were allocated to the appropriate stage

Sr. No	Key Audit Matter	Auditor's Response
	<ul style="list-style-type: none"> • Qualitative and quantitative factors used in staging the loan assets carried at amortized cost • Model estimations – Inherently judgemental models are used to estimate ECL which involves determining Probabilities of Default (PD), Loss Given Default (LGD) and Exposures at default (EAD) • Consideration of probability scenarios and forward looking macro-economic factors <p>ECL requires a large variety of data such as historical data, macro-economic & state specific variables as an input to the ECL model. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model.</p> <p>In view of the criticality of the item to the Financial Statements, complex nature of assumptions, interpretations of RBI regulations & judgements exercised by the management and loans forming a major portion of the Company's assets and impairment charge for the year being material to the net profit for the year, in our opinion this is considered as a Key Audit Matter.</p>	<ul style="list-style-type: none"> • Test checked the Probability of Default ('PD') and Loss Given Default ('LGD') computations performed by the management, including testing data used in assessment and evaluation of whether the results Support appropriateness of the PDs at a portfolio level • Test checked the computations of determining Exposure at Default (EAD) • Test checked the manner of determining significant increase in credit risk and the resultant basis for classification of exposures into various stages. • Performed an assessment of the ECL provision at each stage to determine if they were reasonable considering the Company's portfolio, risk profile, credit risk management practices and the macroeconomic environment. • Tested the arithmetical accuracy of the computations made by the Company. • Perused the disclosures in the financial statements in respect of ECL and specific disclosures made in adherence with RBI guidelines related to COVID 19 packages. • We have also obtained management representations wherever considered necessary.
<p>2 IT Systems and Controls</p> <p>The Company operates in a complex IT environment that involves substantial reliance on its IT systems which are extensively used in the operations of the Company for processing and recording voluminous data impacting key financial data including loans, interest income, repayment collections data and impairment of financial instruments. These IT systems are also extensively used in the financial reporting process.</p> <p>Adequate IT General Controls, application controls and access controls are required to ensure that such IT systems are able to process the data to ensure data consistency, accuracy and reliability especially for financial reporting.</p> <p>We have identified IT Systems and Controls impacting financial reporting as key audit matter because of significant use of IT system and the scale and complexity of the IT architecture including its extensive use in the financial reporting process. Our audit outcome is dependent on the effective functioning of such IT systems.</p>	<p>Performed audit procedures set out below:</p> <ul style="list-style-type: none"> • Obtained an understanding of the Company's business IT environment and key changes if any during the audit period that may be relevant to the audit. • Audit procedures included verifying testing and reviewing the design and operating effectiveness of the key automated and manual business cycle controls and logic for system generated reports relevant to the audit by verifying the reports/returns and other financial and non-financial information generated from the system on a test check basis. • Tested the automated computation performed by the IT systems including that of interest income. • Placed reliance on audit report issued by the independent third-party auditor as appointed by the Company for review of Information Security and IT General Control. • Also obtained management representations wherever considered necessary. 	



The auditors of Manappuram Home Finance Limited, vide their audit report dated May 23, 2024, have expressed an unmodified opinion on the financial statements. Based on consideration of their report, the following Key Audit Matter was included in the audit report.

Sr. Key Audit Matter No	Auditor's Response
<p>1. Expected Credit Loss (ECL) on Loans and Advances</p> <p>The estimation of ECL on financial instruments involves significant judgement and estimates. As part of our risk assessment, we determined that the allowance for ECL on loan assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the financial statements.</p> <p>The elements of estimating ECL which involved increased level of audit focus are the following:</p> <ul style="list-style-type: none">a) Data inputs - The application of ECL model requires several data inputs.b) Model estimations – Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default (“PD”), Loss Given Default (“LGD”), and Exposures at Default (“EAD”). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Company’s modelling approach.c) Qualitative and quantitative factors used in staging the loan assets measured at amortized cost.d) Economic scenarios – Ind AS 109 requires the Company to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them.	<p>Performed the following audit procedures:</p> <ul style="list-style-type: none">a) Testing the design and effectiveness of internal controls over the following: Key controls over the completeness and accuracy of the key inputs, data and assumptions into the Ind AS 109 impairment models. Key controls over the application of the staging criteria consistent with the definitions applied in accordance with the policy approved by the Board of Directors including the appropriateness of the qualitative factors. Management’s controls over authorisation and calculation of post model adjustments and management overlays to the output of the ECL model.b) Also, for a sample of ECL allowance on loan assets tested in respect of key inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data, reasonableness of economic forecasts, weights, and model assumptions applied. Tested the mathematical accuracy and computation of the allowances by using the same input data used by the Company. Reviewed the PD and LGD calculation provided by the Company.c) Testing management’s controls on compliance with disclosures to confirm the compliance with the provisions of relevant provisions of Ind AS 109 and the RBI and verified impairment methodologies and reasonableness of assumptions used.d) For models which were changed or updated during the year, evaluating whether the changes were appropriate by assessing the updated model methodology.e) Read and assessed the disclosures included in the Ind AS financial statements in respect of expected credit losses with the requirements of Ind AS 107 Financial Instruments: Disclosure (“Ind AS 107”) and Ind AS 109.

Sr. No	Key Audit Matter	Auditor's Response
2	<p>Information Technology (IT) Systems and Control</p> <p>The Company's key financial accounting and reporting processes are highly dependent on the automated controls over the Company's information systems, such that there exists a risk that gaps in the IT general control environment could result in a misstatement of the financial accounting and reporting records. Accordingly, we have considered user access management, segregation of duties and controls over system change over key financial accounting and reporting systems, as a key audit matter.</p>	<p>Performed the following audit procedures:</p> <p>Tested key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations.</p> <p>Obtained management's evaluation of the access rights granted to applications relevant to financial accounting and reporting systems and tested resolution of a sample of expectations.</p> <p>Tested the design and operating effectiveness of automated controls critical to financial accounting and reporting.</p> <p>Tested the design and operating effectiveness of compensating controls and, where necessary, extended the scope of our substantive audit procedure.</p> <p>Considered the reports issued by the professional consultants with respect to Information Systems (IS) Audit and IT Infrastructure of the Company.</p>

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the Consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after that date of this auditor's report.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the information included in the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information'

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of

the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act read with the Rules. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.



The respective Management and Board of Directors of the Companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated 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 Consolidated 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 control 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 Holding Company has adequate internal financial controls with reference to Consolidated Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of material accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management and Board of Directors.
- Conclude on the appropriateness of the management and Board of Directors 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 ability of the Group 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 Consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors 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 Consolidated Financial Statements for the year ended March 31, 2024 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.

Other Matters

We did not audit the financial statements of four subsidiaries whose financial statements reflect total assets of ₹ 142,233 million (before consolidation adjustment) as at March 31, 2024, total revenues of ₹ 31,335 million (before consolidation adjustment) and net cash inflows (net) of ₹ 4,096 million for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the Consolidated Financial Statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable, 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 of the aforesaid Consolidated Financial Statements.
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors except for the matters stated in paragraph 1 (h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the the Act read with the Rules thereunder.
- e. The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 1(b) above on reporting under Section 143(3)(b) of the Act and paragraph 1(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- f. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- g. With respect to the adequacy of internal financial controls with reference to Consolidated Financial Statements of the Group, and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on our audit and on consideration of report of other auditors on separate financial statements of the subsidiary companies as noted in 'other matter' paragraph:
- i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 45 of the consolidated financial statements.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund (IEPF) by the Holding Company and there were no amounts which were required to be transferred to the IEPF by its subsidiary companies.
 - iv. (a) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries that, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or any of such subsidiaries shall,



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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding company in this regard nothing has come to our or other auditors' notice that has caused us or the other auditors 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 mis-statement.
- v. In our opinion and according to the information and explanations given to us, the Holding Company and one of its subsidiaries has declared and paid dividend during the year which is in compliance with section 123 of the Act.
- vi. Based on our examination, which included test checks and that performed by the

respective auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, the Holding Company and its subsidiaries have used accounting software(s) for maintaining their respective books of account for the year ended March 31, 2024, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software(s) except for one software of the Holding Company and one of the subsidiary, audit trail feature is not enabled for direct changes to database in certain data tables at the database level. Further, we did not come across any instance of audit trail feature being tampered with.

2. In our opinion, according to information, explanations given to us, the remuneration paid by the Group to its directors is within the limits laid prescribed under Section 197 read with Schedule V of the Act and the rules thereunder.
3. According to the information and explanations given to us and based on the CARO reports issued by us for the Holding Company and on consideration of CARO reports issued by the statutory auditors of subsidiaries included in the Consolidated Financial Statements of the Group to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks.

For **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration Number: 105047W

sd/-

Tushar Kurani

Membership Number: 118580

UDIN: 24118580BKFLZW9219

Kolkata

May 24, 2024

For **S K Patodia & Associates LLP**

Chartered Accountants

CAI Firm Registration Number: 112723W/W100962

sd/-

Ankush Goyal

Membership Number: 146017

UDIN: 24146017BKESZ1966

Valapad

May 24, 2024

“Annexure A” to the Independent Auditors’ Report

of even date on the Consolidated Financial Statements of Manappuram Finance Limited

[Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ in the Independent Auditors’ Report of even date to the Members of Manappuram Finance Limited on the Consolidated Financial Statements for the year ended March 31, 2024]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

Opinion

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls reference to Consolidated Financial Statements of Manappuram Finance Limited (hereinafter referred to as “the Holding Company”) which includes the internal financial controls over financial reporting of the Holding Company and its subsidiary companies (the Holding Company and its subsidiaries together referred to as “the Group”) which are companies incorporated in India, as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Group, have, in all material respects, an adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2024, based on the internal financial controls with reference to Consolidated Financial Statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (“the ICAI”).

Management and Board of Director’s Responsibility for Internal Financial Controls

The respective Management and the Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to Consolidated Financial Statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. 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 respective 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 internal financial controls with reference to Consolidated Financial Statements of the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies,

which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 with reference to Consolidated Financial Statements was 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 with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, 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 judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Group.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company’s internal financial control with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to Consolidated Financial Statements 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 Consolidated Financial Statements in accordance with generally accepted



accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated Financial Statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to Consolidated Financial Statements, 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

For **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration Number: 105047W

sd/-

Tushar Kurani

Membership Number: 118580

UDIN: 24118580BKFLZW9219

Kolkata

May 24, 2024

of the internal financial controls with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial control with reference to Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements insofar as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.

For **S K Patodia & Associates LLP**

Chartered Accountants

CAI Firm Registration Number: 112723W/W100962

sd/-

Ankush Goyal

Membership Number: 146017

UDIN: 24146017BKESEZ1966

Valapad

May 24, 2024

Consolidated Balance Sheet

as at 31st March, 2024

(All amounts are in millions, unless otherwise stated)

Particulars	Note No:	As at 31 March, 2024	As at 31 March, 2023
ASSETS			
1 Financial assets			
Cash and cash equivalents	9	25,498.72	25,004.78
Bank balance other than above	10	6,313.78	5,346.18
Derivative financial instruments	19	25.45	244.40
Loans	11	409,475.67	341,945.05
Investments	12	7,263.37	5,340.13
Other financial assets	13	4,395.02	3,273.77
2 Non-financial assets			
Current tax assets (net)	14	745.08	354.73
Deferred tax assets (net)	38	2,014.98	1,514.09
Investment property	15	0.86	0.86
Property, plant and equipment	16	4,402.23	4,317.94
Capital work-in-progress		333.46	160.11
Intangible assets under development		0.14	6.67
Right of use asset	45	5,584.71	5,965.38
Goodwill		355.65	355.65
Other intangible assets	17	355.35	297.35
Other non-financial assets	18	714.55	914.23
Total assets		467,479.02	395,041.32
LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial liabilities			
Payables			
- Trade payables	20		
(i) total outstanding dues of micro enterprises and small enterprises		2.23	3.40
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,216.55	1,057.46
Debt securities	21	51,800.04	62,641.86
Borrowings (other than debt securities)	22	279,869.31	218,246.50
Deposits	23	0.70	0.91
Subordinated liabilities	24	4,864.63	3,940.11
Lease liability	45	6,664.18	6,837.31
Other financial liabilities	25	4,414.97	3,303.33
2 Non-financial Liabilities			
Provisions	26	724.78	731.98
Other non-financial liabilities	27	2,151.84	1,626.21
		351,709.23	298,389.07
3 EQUITY			
Equity share capital	28	1,692.87	1,692.79
Other equity	29	113,788.15	94,756.10
Equity attributable to equity holders of the parent		115,481.02	96,448.89
Non-controlling interest		288.77	203.36
Total equity		115,769.79	96,652.25
Total Liabilities and Equity		467,479.02	395,041.32

See accompanying notes forming part of the Consolidated financial statements.

As per our Report of even date

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No:105047W

Sd/-
Tushar Kurani
Partner
Membership No: 118580
Place :Kolkata

For **S K Patodia & Associates LLP**
Chartered Accountants
ICAI Firm Registration No:112723W

Sd/-
Ankush Goyal
Partner
Membership No:146017

Place: Valapad
Date: May 24, 2024

For and on behalf of the Board of Directors

Sd/-
V. P. Nandakumar
Managing Director & CEO
DIN: 00044512

Sd/-
Bindu A. L
Chief Financial Officer

Place: Valapad
Date: May 24, 2024

Sd/-
V. R. Ramachandran
Non Executive Director
DIN:00046848

Sd/-
Manoj Kumar V. R
Company Secretary



Consolidated Statement of Profit and Loss

for the Year ended 31st March, 2024

(All amounts are in millions, unless otherwise stated)

Particulars	Note No:	For the year ended 31 March, 2024	For the year ended 31 March, 2023
(I) Revenue from operations			
(i) Interest income	30 (i)	84,545.99	64,560.38
(ii) Fees and commission income	30 (ii)	1,273.08	201.00
(iii) Net gain on fair value changes	30 (iii)	1,425.01	1,037.12
(iv) Net gain on derecognition of financial instruments		407.22	215.99
(v) Other operating income	30 (iv)	828.78	982.20
Total Revenue from operations (I)		88,480.08	66,996.69
(II) Other income	31	720.80	502.78
(III) Total income (I + II)		89,200.88	67,499.47
Expenses			
(i) Finance costs	32	28,657.10	21,877.85
(ii) Fees and commission expense	33	505.51	254.30
(iii) Impairment on financial instruments	34	5,783.35	3,071.42
(iv) Employee benefits expenses	35	15,973.22	14,694.88
(v) Depreciation and amortisation	36	2,464.46	2,037.57
(vi) Other expenses	37	6,222.07	5,152.95
(IV) Total expenses (IV)		59,605.71	47,088.97
(V) Profit/(loss) before exceptional items and tax (III - IV)		29,595.17	20,410.50
(VI) Exceptional items		-	-
(V) Profit before tax (III - IV)		29,595.17	20,410.50
(VI) Tax expense:			
(1) Current tax	38	8,008.10	5,226.89
(2) Deferred tax	38	(392.24)	157.99
(3) Current tax relating to earlier years	38	4.37	23.90
Total Tax Expense		7,620.23	5,408.79
(VII) Profit for the year (V - VI)		21,974.94	15,001.72
(VIII) Other comprehensive income / (loss)			
A (i) Items that will not be re classified to profit or loss			
- Actuarial gains / (losses) on post retirement benefit plans		(79.59)	28.59
(ii) Income tax relating to items that will not be reclassified to profit or loss		9.50	(8.18)
Subtotal (A)		(70.09)	20.41
B (i) Items that will be reclassified to profit or loss			
- Fair value changes of cash flow hedges, net		(114.69)	329.81
(ii) Income tax relating to items that will not be reclassified to profit or loss		33.15	(83.04)
(iii) Fair value changes on Investment held as FVOCI		24.18	-
Subtotal (B)		(57.36)	246.77
Other comprehensive income / (loss)		(127.45)	267.18
(IX) Total comprehensive income for the year (VII + VIII)		21,847.49	15,268.90
Profit for the year attributable to			
Equity holders of the parent		21,886.81	14,959.78
Non-controlling interest		88.13	41.93
Other comprehensive income for the year, net of tax			
Equity holders of the parent		(126.86)	266.81
Non-controlling interest		(0.59)	0.37
Total comprehensive income for the year, net of tax			
Equity holders of the parent		21,759.95	15,226.59
Non-controlling interest		87.54	42.30
(X) Earnings per equity share	39		
Basic (₹)		25.96	17.72
Diluted (₹)		25.96	17.72

See accompanying notes forming part of the Consolidated financial statements.

As per our Report of even dateFor **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No:105047W

Sd/-

Tushar Kurani

Partner

Membership No: 118580

Place :Kolkata

For **S K Patodia & Associates LLP**

Chartered Accountants

ICAI Firm Registration No:112723W

Sd/-

Ankush Goyal

Partner

Membership No:146017

Place: Valapad

Date: May 24, 2024

For and on behalf of the Board of Directors

Sd/-

V. P. Nandakumar

Managing Director & CEO

DIN: 00044512

Sd/-

V. R. Ramachandran

Non Executive Director

DIN:00046848

Sd/-

Bindu A. L

Chief Financial Officer

Sd/-

Manoj Kumar V. R

Company Secretary

Place: Valapad

Date: May 24, 2024

Consolidated Statement of changes in Equity Capital

(All amounts are in millions, unless otherwise stated)

for the Year ended 31st March, 2024

A. Equity share capital

Equity shares of ₹ 2 each issued, subscribed and fully paid

Particulars	No. in Millions	₹ in Millions
As at 1st April, 2022	846.39	1,692.79
Issued during the year - ESOP	-	-
As at 31st March, 2023	846.39	1,692.79
Issued during the year - ESOP	0.04	0.08
As at 31st March, 2024	846.43	1,692.87

B. Other Equity

Particulars	Share application money pending allotment	Capital reserve	Statutory reserve u/s 45-IC of the RBI Act, 1934 and u/s 29C of NHB Act, 1987	Share option outstanding account	Capital redemption reserve	Securities premium	Debt redemption reserve	General reserve	Retained earnings	Hedge reserve	Impairment reserve	Other comprehensive income	Total
Balance as at 1 April 2022	0.02	2.91	18,221.70	136.02	50.00	14,108.54	-	3,627.02	45,718.91	4.24	452.08	(245.83)	81,990.69
Dividends	-	-	-	-	-	-	-	-	(2,619.57)	-	-	-	(2,619.57)
Transfer to/from retained earnings	-	-	3,007.73	-	-	-	-	(3,007.73)	-	-	-	-	-
Other Additions/ Deductions during the year													
Foreign exchange rate variations in hedging instruments	-	-	-	-	-	-	-	-	-	1.17	-	-	1.17
Shares allotted during the year	-	-	-	-	-	-	-	-	-	-	-	-	-
ESOP Expenses	-	-	-	0.28	-	-	-	-	-	-	-	-	0.28
Utilised during the year	(0.02)	-	-	-	-	-	-	-	-	-	-	-	(0.02)
Share premium received during the year	-	-	-	-	-	47.03	-	-	-	-	-	-	47.03
Profit for the year (net of taxes)	-	-	-	-	-	-	-	15,069.33	-	-	-	-	15,069.33
Other comprehensive income for the year (net of taxes)	-	-	-	-	-	-	-	-	-	-	20.41	246.77	267.18
Loss on acquisition	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 1 April 2023	(0.00)	2.91	21,229.42	136.30	50.00	14,155.57	-	3,627.02	55,160.95	5.41	452.08	(64.50)	94,756.10
Dividends	-	-	-	-	-	-	-	-	(2,943.18)	-	-	-	(2,943.18)
Transfer to/from retained earnings	-	-	4,271.96	-	-	-	-	-	(4,271.96)	-	-	-	-



Consolidated Statement of changes in Equity Capital

for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Particulars	Reserves and surplus										Total		
	Share application money pending allotment	Capital reserve	Statutory reserve u/s 45-IC of the RBI Act, 1934 and u/s 29C of NHB Act, 1987	Share option outstanding account	Capital redemption reserve	Securities premium	Debt redemption reserve	General reserve	Retained earnings	Hedge reserve		Impairment reserve	Actuarial gain/(loss)
Other Additions/ Deductions during the year	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange rate variations in hedging instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
Shares allotted during the year	-	-	-	-	-	-	-	-	-	-	-	-	-
ESOP Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilised during the year	-	-	-	1.69	-	(1,335.22)	-	10.57	-	-	-	-	(1,322.96)
Share premium received during the year	-	-	-	(4.52)	-	1,380.17	-	-	-	-	-	-	1,375.65
Options Lapsed during the year	-	-	-	(133.31)	-	-	133.31	-	-	-	-	-	-
Profit for the year (net of taxes)	-	-	-	-	-	-	-	22,049.99	-	-	(70.09)	(57.36)	22,049.99
Other comprehensive income for the year (net of taxes)	-	-	-	-	-	-	-	-	-	-	-	-	(127.45)
Loss on acquisition	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2024	(0.00)	2.91	25,501.38	0.16	50.00	14,200.52	-	3,770.90	69,995.80	5.41	452.08	(134.59)	(56.42)
113,788.15													

See accompanying notes forming part of the Consolidated financial statements.

As per our Report of even date

For **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No:105047W

Sd/-

Tushar Kurani

Partner

Membership No: 118580

Place :Kolkata

For **S K Patodia & Associates LLP**

Chartered Accountants

ICAI Firm Registration No: 112723W

Sd/-

Ankush Goyal

Partner

Membership No: 146017

Place: Valapad

Date: 24th May, 2024

For and on behalf of the Board of Directors

Sd/-

V. P. Nandakumar

Managing Director & CEO

DIN: 00044512

Sd/-

V. R. Ramachandran

Non Executive Director

DIN:00046848

Sd/-

Bindu A. L

Chief Financial Officer

Place: Valapad

Date: 24th May, 2024

Sd/-

Manoj Kumar V. R

Company Secretary

Consolidated Cash Flow Statement

for the Year ended 31st March, 2024

(All amounts are in millions, unless otherwise stated)

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
A. Cash flow from operating activities		
Net profit before tax	29,595.17	20,410.50
<i>Adjustments for:</i>		
Interest income on loans	(56,125.54)	(46,742.10)
Depreciation and amortization expense	2,464.46	2,038.79
Impairment on financial instruments	5,059.70	768.40
Bank Charges	0.01	
Lease income on rent waiver	-	(0.51)
Provision for litigation	16.41	23.99
Provision no longer required written back	0.65	37.56
Provision for other assets	(30.24)	(70.95)
Profit on sale of property, plant and equipment	(6.17)	(8.20)
Stock compensation expense	-	0.28
Finance costs	27,760.44	21,286.94
Interest income from banks, investments and others	(1,510.61)	(1,156.22)
Share Based Payment to employees	0.43	-
Net actuarial loss that will not be reclassified to profit and loss (OCI)	(4.07)	-
Operational cash flows from interest		
Interest received on loans	49,714.50	45,799.44
Finance costs	(18,220.41)	(15,465.53)
Operating profit before working capital changes	38,714.72	26,922.39
Changes in working capital:		
Decrease / (increase) in non-financial assets	94.14	(302.54)
Decrease / (increase) in loans	(64,488.10)	(55,335.04)
Decrease / (increase) in other financial assets	(1,021.25)	97.57
Decrease / (increase) in trade receivables	(60.26)	12.89
Increase / (decrease) in trade payables	99.11	(408.53)
Increase / (decrease) in other financial liabilities	835.83	1,830.31
Increase / (decrease) in provisions	(131.83)	369.80
Increase / (decrease) in other non-financial liabilities	531.78	475.63
	(64,140.60)	(53,259.91)
Cash generated from operations	(25,425.87)	(26,337.52)
Net income tax (paid)	(8,400.92)	(4,694.84)
Net cash flows from/(used in) operating activities (A)	(33,826.79)	(31,032.36)
B. Cash flow from investing activities		
Capital expenditure, including capital advances	(1,363.29)	(1,726.41)
Proceeds from sale of property, plant and equipment	8.82	10.71
(Purchase) / Sale of investments	(5,633.72)	(3,585.88)
Interest received	1,441.54	733.07
Dividend received	0.00	80.38
Bank balances not considered as cash and cash equivalents	(379.95)	(1,673.48)
Net cash flows from/(used in) investing activities (B)	(5,926.60)	(6,161.61)



Consolidated Cash Flow Statement

for the Year ended 31st March, 2024

(All amounts are in millions, unless otherwise stated)

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
C. Cash flow from financing activities		
Debt securities issued (net)	(9,938.64)	(31,782.71)
Increase in Share Capital	41.21	
Borrowings (other than debt securities) issued (net)	53,734.74	71,767.45
Subordinated liabilities issued (net)	-	(6.00)
Commercial Paper (Net)	(14.50)	-
Proceeds from issue of equity shares	0.08	93.28
Share premium on equity shares allotted	1,463.64	2,406.72
Share application money received/(refunded)	-	(0.02)
Dividend paid, including dividend distribution tax	(2,943.18)	(2,619.56)
Payment of lease liabilities	(1,426.97)	(1,368.07)
Finance Cost and Other Charges	(669.05)	-
Net cash flow from/(used in) financing activities (C)	40,247.33	38,491.09
Net increase / (decrease) in cash and cash equivalents (A+B+C)	493.94	1,297.12
Cash and cash equivalents at the beginning of the year	25,004.78	23,707.66
Cash and cash equivalents at the end of the year	25,498.72	25,004.78

Note: For disclosures relating to changes in liabilities arising from financing activities, refer note 44.

In terms of our report attached.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No:105047W

Sd/-
Tushar Kurani
Partner
Membership No: 118580
Place :Kolkata

For **S K Patodia & Associates LLP**
Chartered Accountants
ICAI Firm Registration No:112723W/W100962

Sd/-
Ankush Goyal
Partner
Membership No: 146017

Place: Valapad
Date: 24th May, 2024

For and on behalf of the Board of Directors

Sd/-
V. P. Nandakumar
Managing Director & CEO
DIN: 00044512

Sd/-
Bindu A. L
Chief Financial Officer

Place: Valapad
Date: 24th May, 2024

Sd/-
V. R. Ramachandran
Non Executive Director
DIN:00046848

Sd/-
Manoj Kumar V. R
Company Secretary

Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 1: Corporate information

Manappuram Finance Limited ('MAFIL' or 'the Company' or 'the Holding Company' or 'the Parent Company') is a public limited company domiciled in India and incorporated on 15 July 1992 in Thrissur, Kerala. Its shares are listed on BSE Limited and NSE Limited. The Company is a Non-Banking Finance Company ('NBFC'), which provides a wide range of fund based and fee based services including gold loans, money exchange facilities, etc. The Company is a NBFCs-Middle Layer (NBFCs-ML). The Company is registered with the Reserve Bank of India (RBI).

The registration details are as follows:

Reserve Bank of India Registration no : B-16.00029

Corporate Identity Number (CIN): L65910KL1992PLC006623

The Company is the ultimate parent company of the Manappuram Home Finance Limited (MHF), Asirvad Micro Finance Limited (Asirvad), Manappuram Insurance Brokers Limited (Maibro) and Manappuram Comptech and Consultants Limited (Macom). The Company along with the Subsidiaries is collectively referred to as the "Group".

MHF, a wholly owned subsidiary of the Company, was incorporated in the year 2010. MHF is a housing finance company registered with National Housing Bank under the provision of National Housing Bank Act, 1987.

Maibro, a wholly owned subsidiary of the Company, was incorporated in the year 2002 is a Company registered with IRDA.

Asirvad, was incorporated in the year 2007. Asirvad is a Micro Finance company registered with Reserve Bank of India under the provision of Reserve Bank of India Act, 1934.

Macom, was incorporated in the year 2000. MACOM is involved in IT services like software publishing, consultancy and other services.

Note 2: Basis of preparation

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after read with relevant rules issued thereunder and other accounting principles generally accepted in India mainly considering the Master Directions issued by the Reserve Bank of India ('RBI') as applicable to Non-Banking Finance Companies – ND.

The consolidated financial statements are presented in Indian Rupees (INR) which is also the functional currency of the company and all values are rounded to the nearest millions, except when otherwise indicated.

Note 3: Presentation of financial statements:

The financial statements of the Group 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). 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:

- i. The normal course of business
- ii. The event of default
- iii. The event of insolvency or bankruptcy of the Company and/or its counterparties.

Note 4: Statement of compliance

These Consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 and the generally accepted accounting principles as referred to in paragraph 2 "Basis of Preparation" above.

Note 5. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31st March 2024. The Company consolidates a subsidiary when it controls it. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

The contractual arrangement with the other vote holders of the investee

- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.

The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.



Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March.

Consolidation procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Note 6: Material accounting policies (Also refer note 2 above)

6.1 Financial Instruments

(i) Classification of financial instruments

The Group classifies its financial assets into the following measurement categories:

1. Financial assets measured at amortised cost
2. Financial assets measured at fair value through other comprehensive income
3. Financial assets measured at fair value through profit or loss account

The classification depends on the contractual terms of the financial assets' cash flows and the Group's business model for managing financial assets.

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The business model is assessed on the basis of aggregated portfolios based on observable factors. These factors include:

- Reports reviewed by the entity's key management personnel on the performance of the financial assets
- The risks impacting the performance of the business model (and the financial assets held within that business model) and its management thereof
- The compensation of the managing teams (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of trades.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account.

Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024

(All amounts are in millions, unless otherwise stated)

The Group also assesses the contractual terms of financial assets on the basis of its contractual cash flow characteristics that are solely for the payments of principal and interest on the principal amount outstanding.

'Principal' is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Group classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the profit and loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

(ii) Financial assets measured at amortised cost

These Financial assets comprise bank balances, Loans, Trade receivables, investments and other financial assets.

Financial Assets with contractual terms that give rise to cash flows on specified dates, and represent solely payments of principal and interest on the principal amount outstanding; and are held within a business model whose objective is achieved by holding to collect contractual cash flows are measured at amortised cost.

These financial assets are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or a financial liability.

(iii) Equity instruments

Investment in equity instruments are generally accounted for as at fair value through the profit and loss account unless An irrevocable election has

been made by management to account for at fair value through other comprehensive income Such classification is determined on an instrument-by-instrument basis.

Contingent consideration recognised by the Group in a business combination to which Ind AS 103 'Business Combination' applies, are measured at fair value through profit and loss account, where amounts presented in other comprehensive income for equity instruments are not subsequently transferred to profit or loss. Dividends on such investments are recognised in profit or loss.

(iv) Items at fair value through profit or loss

Items at fair value through profit or loss comprise:

- Investments (including equity shares) held for trading;
- Items specifically designated as fair value through profit or loss on initial recognition; and
- debt instruments with contractual terms that do not represent solely payments of principal and interest.

Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the statement of profit and loss as they arise.

(v) Financial instruments held for trading

A financial instrument is classified as held for trading if it is acquired or incurred principally for selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking, or it is a derivative not designated in a qualifying hedge relationship.

Trading derivatives and trading securities are classified as held for trading and recognised at fair value.

(vi) Derivatives

The Group enters into derivative transactions with various counterparties like interest rate and currency swaps and forwards. The Group undertakes derivative transactions to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts are generally banks.



Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

a) Financial Assets or Liabilities at Fair Value through Profit and Loss

This category includes derivative financial assets/ liabilities which are not designated as hedges.

Although the Group believes that these derivative instruments constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivatives that is either not designated as a hedge, or is designated but is ineffective as per Ind AS 109, is categorised as a financial asset or liability, at fair value through profit and loss.

Derivatives not designated as hedges are recognised initially at fair value and attributable transaction costs are recognised in net profit in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit and loss and the resulting exchange gain or loss are included in the other income/ expenses.

b) Cash flow Hedge:

The Group designates certain foreign exchange forwards and swaps contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on certain balance sheet liabilities.

When a derivative is designated as a cash flow hedge instrument, the effective portion of changes in the fair value of derivative instruments is recognised in other comprehensive income and accumulated in the cash flow hedge reserve.

Any ineffective portion of changes in the fair value of the derivatives is recognised immediately in the net profit in the Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in the cash flow hedge reserve till the period the hedge was effective remains in cash flow hedge reserve till the period the transaction occurs. The cumulative gain or loss previously recognised in the cash flow hedge reserve is transferred to the net profit in the Statement of Profit and Loss upon the occurrence of the related transaction.

(vii) Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and transaction costs that are an integral part of the Effective Interest Rate (EIR).

(viii) Recognition and derecognition of financial assets and liabilities

A financial asset or financial liability is recognised in the balance sheet when the Group becomes a party to the contractual provisions of the instrument, which is generally on trade date. Loans and receivables are recognised when cash is advanced (or settled) to the borrowers. Financial assets at fair value through profit or loss are recognised initially at fair value. All other financial assets are recognised initially at fair value plus directly attributable transaction costs.

The Group derecognises a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability. A financial liability is derecognised from the balance sheet when the Group has discharged its obligation or the contract is cancelled or expires.

(ix) Impairment of financial assets

The Group recognises impairment allowance for expected credit loss on financial assets held at amortised cost.

The Group recognises loss allowances (provisions) for expected credit losses on its financial assets (including undisbursed sanctioned amounts) that are measured at amortised costs or at fair value through other comprehensive income account.

The Group applies a three-stage approach to measuring expected credit losses (ECLs) for the following categories of financial assets that are not measured at fair value through profit or loss:

- debt instruments measured at amortised cost and fair value through other comprehensive income;
- loan commitments.

Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024

(All amounts are in millions, unless otherwise stated)

No ECL is recognised on equity investments.

Financial assets migrate through the following three stages based on the change in credit risk since initial recognition:

Stage 1: 12-months ECL

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised.

Stage 2: Lifetime ECL – not credit impaired

For exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired, a lifetime ECL (i.e. reflecting the remaining lifetime of the financial asset) is recognised.

Stage 3: Lifetime ECL- Credit impaired

Exposures are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

Determining the stage for impairment

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose.

This includes quantitative and qualitative information and also, forward-looking analysis.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowances reverts from lifetime ECL to 12-months ECL.

The loss allowances for these financial assets is based on a 12-months ECL.

When an asset is uncollectible, it is written off against the related allowance. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off reduce the amount of the allowances in the profit and loss statement.

The Group assesses whether the credit risk on an exposure has increased significantly on an individual or collective basis. For the purposes of a collective evaluation of impairment, financial instruments are grouped on the basis of shared credit risk characteristics, taking into account instrument type, credit risk ratings, date of initial recognition, remaining term to maturity, industry, geographical location of the borrower and other relevant factors.

Measurement of ECLs

ECLs are derived from unbiased and probability-weighted estimates of expected loss, and are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls over the expected life of the financial asset discounted by the effective interest rate. The cash shortfall is the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive. The Group has grouped its various financial assets in to pools containing loans bearing homogeneous risks characteristics. The probability of default for the pools are computed based on the historical trends, adjusted for any forward looking factors. Similarly the Group computes the Loss Given Default based on the recovery rates.
- **Financial assets that are credit-impaired at the reporting date:** as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the effective interest rate.
- **Undrawn loan commitments:** as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive.



Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

- **Financial guarantee contracts:** as the expected payments to reimburse the holder less any amounts that the Group expects to recover.

ECL on Debt instruments measured at fair value through OCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets. As at the reporting date the Group does not have any debt instruments measured at fair value through OCI.

Collateral Valuation

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as movable and immovable assets, guarantees, etc. However, the fair value of collateral affects the calculation of ECLs. To the extent possible, the Group uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as vehicles, is valued based on data provided by third parties or management judgements.

Collateral repossessed

In its normal course of business whenever default occurs, the Group may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet.

(x) **Write-offs**

The Group reduces the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

(xi) **Determination of fair value**

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. The Financial assets and liabilities are presented in ascending order of their liquidity. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Group 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.

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

Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024

(All amounts are in millions, unless otherwise stated)

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 Group 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 Group 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.

6.2. Revenue from operations

(i) Interest Income

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets measured through amortised cost method.

The EIR in case of a financial asset is computed

- As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.
- By considering all the contractual terms of the financial instrument in estimating the cash flows
- Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

(ii) Dividend Income

Dividend income is recognised

- When the right to receive the payment is established,

- it is probable that the economic benefits associated with the dividend will flow to the entity and
- the amount of the dividend can be measured reliably

(iii) Fees & Commission Income

Fees and commissions other than those which forms part of EIR are recognised when the Group satisfies the performance obligation, at fair value of the consideration received or receivable based on a five-step model as set out below, unless included in the effective interest calculation:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

Processing fee which is not form part of effective interest rate has been recognised as and when it is accrue.

(iv) Net gain on Fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss, held by the Group on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised



Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL presented separately under the respective head in the Statement of Profit and Loss.

However, net gain / loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the Statement of Profit and Loss.

6.3. Expenses

(i) Finance costs

Finance costs represents Interest expense recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities.

The EIR in case of a financial liability is computed

- a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.
- b. By considering all the contractual terms of the financial instrument in estimating the cash flows
- c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

(ii) Retirement and other employee benefits

Short term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the

bonus/ex-gratia are recognised in the period in which the employee renders the related service.

Post-employment employee benefits

a) Defined contribution schemes

Short term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ex-gratia are recognised in the period in which the employee renders the related service.

Post-employment employee benefits

a) Defined contribution schemes

All the employees of the Group are entitled to receive benefits under the Provident Fund and Employees State Insurance scheme, defined contribution plans in which both the employee and the Group contribute monthly at a stipulated rate. The Group has no liability for future benefits other than its annual contribution and recognises such contributions as an expense in the period in which employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

b) Defined Benefit schemes

The group provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. The present value of the obligation under such defined

Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024

(All amounts are in millions, unless otherwise stated)

benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

Net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, attrition rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

The group fully contributes all ascertained liabilities to LIC without routing it through Trust bank account. Trustees administer, contributions made to the trust and contributions are invested in a scheme of insurance with the IRDA approved Insurance Company

Re-measurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

Other long-term employee benefits

Group's liabilities towards compensated absences to employees are accrued on the basis of valuations, as at

the Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss.

The Company presents the Provision for compensated absences under provisions in the Balance Sheet.

The group has formulated Employee Stock Option Schemes (ESOS) in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The Scheme provide for grant of options to employees of the Company and its subsidiaries to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. The grant date fair value of equity settled share based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised in employee benefits expenses/investment in subsidiary together with a corresponding increase in employee stock option outstanding account in other equity is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

(iii) Other income and expenses

All Other income and expense are recognized in the period they occur.

(iv) Impairment of non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

In determining net selling price, recent market transactions are taken into account, if available. If no



Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024

(All amounts are in millions, unless otherwise stated)

such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(v) Taxes

Current Tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities are realised simultaneously.

Minimum Alternate Tax (MAT)

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that it is probable that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Group reviews the MAT Credit Entitlement asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

Goods and services tax /value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

- i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- ii. When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

6.4 Foreign currency translation

(i) Functional and presentational currency

The consolidated financial statements are presented in Indian Rupees which is also functional currency of the Group and the currency of the primary economic environment in which the Group operates.

(ii) Transactions and balances

Initial recognition:

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Conversion:

Monetary assets and liabilities denominated in foreign currency, which are outstanding as at the reporting date, are translated at the reporting date at the closing exchange rate and the resultant exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

6.5 Cash and cash equivalents

Cash and cash equivalents comprise the net amount of short-term, highly liquid investments that are readily convertible to known amounts of cash (short-term deposits with an original maturity of three months or less) and are subject to an insignificant risk of change in value, cheques on hand and balances with banks. They are held for the purposes of meeting short-term cash commitments (rather than for investment or other purposes).

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

6.6 Property, plant and equipment

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, (if any). The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Depreciation

Depreciation is calculated using the Straight Line Method (SLM) to write down the cost of property and equipment to

their residual values over their estimated useful lives and Asirvad Micro Finance Limited is following WDV method. Land is not depreciated.

The estimated useful lives are as follows:

Particulars	Useful life estimated by Company Computer
Computer equipment	
- End User equipment	3 years
- Server*	3 years
Furniture & Fixtures	
- Safe and strong rooms	10 years
- Others*	3 - 5 years
Office Equipment*	3 years
Electrical Fittings	3 years
Buildings	30 years
Vehicles	8 years
Leasehold improvements	Rent agreement period
Plant & Machinery	15 years

**The Group has estimated useful life which is different for Schedule II useful life's based on technical advice obtained by the management.*

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

The Group has recognised leasehold Improvement as a new asset during the year 2022-23, due to which other assets related to branches were reclassified into Leasehold Improvements.

6.7 Intangible assets



Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Group.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the statement of profit and loss. Amortisation on assets acquired/sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss from / up to the date of acquisition/sale.

Amortisation is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives. Intangible assets comprising of software are amortised on a straight-line basis over a period of 6 years, unless it has a shorter useful life.

The Group's intangible assets consist of computer software with definite life.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

6.8 Investment Property

Properties, held to earn rentals and/or capital appreciation are classified as investment property and measured and reported at cost, including transaction costs. For transition to Ind AS, the Group has elected to adopt as deemed cost, the carrying value of investment property as per Indian

GAAP less accumulated depreciation and cumulative impairment (if any) as on the transition date of April 1, 2017.

Depreciation is recognised using straight line method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013 or in case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognised in the Statement of Profit and Loss in the same period.

6.9 Provisions

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

6.10 Contingent Assets and Liabilities

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the entity. The Group does not recognize or disclose contingent asset in the financial statements.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an out flow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare

Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

6.11 Earning Per Share

The Group reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. 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.

6.12 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM).

The Board of Directors (BOD) of the Holding Company assesses the financial performance and position of the Company, and makes strategic decisions. The BOD of Holding Company, which has been identified as being the chief operating decision maker. The CODM has identified two reportable segments 1. Gold Loan and others, 2. Microfinance.

6.13 Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance

of the underlying asset to Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

The Group as a lessee

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. 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 in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-



Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

6.14 Business Combination

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary comprises of the,

- fair values of the assets transferred,
- liabilities incurred to the former owners of the acquired business,
- equity interests issued by the Group and
- fair value of any asset or liability resulting from a contingent consideration arrangement

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the fair value of consideration over the identifiable net asset acquired is recorded as goodwill. If the consideration is lower, the gain is recognised directly in equity as capital reserve. In case, business acquisition is classified as bargain purchase, the aforementioned gain is recognised in the other comprehensive income and accumulated in equity as capital reserve. The Group recognises any noncontrolling interest in the acquired entity at fair value.

Changes in ownership that do not result in a change of control are accounted for as equity transactions and therefore do not have any impact on goodwill. The difference between consideration and the non-controlling share of net assets acquired is recognised within equity. Business combinations involving entities or businesses under common control

are accounted for using the pooling of interest method. Under pooling of interest method, the assets and liabilities of the combining entities are reflected at their carrying amounts, with adjustments only to harmonise accounting policies. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

If the initial accounting for a business combination can be determined only provisionally by the end of the first reporting period, the business combination is accounted for using provisional amounts. Adjustments to provisional amounts, and the recognition of newly identified asset and liabilities, must be made within the 'measurement period' where they reflect new information obtained about facts and circumstances that were in existence at the acquisition date. The measurement period cannot exceed one year from the acquisition date and no adjustments are permitted after one year except to correct an error.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in the statement of profit and loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

7. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the grouping disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

7.1 Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

7.2 Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Group's policy to regularly review its ECL models in the context of actual loss experience and adjust when necessary.

The impairment loss on loans and advances is disclosed in more detail in Note 6.1(ix) Overview of ECL principles.

7.3 Effective Interest Rate (EIR) method

The Group'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.

8. Euro Medium Term Notes

Subsequent to the year end, the company raised ₹ 2,506.05 crores in debt through the issuance of Euro Medium Term Notes (EMTNs).



Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 9: Cash and cash equivalents

Particulars	As at 31 March, 2024	As at 31 March, 2023
Cash on hand	1,302.15	1,313.83
Balances with banks - in current and overdraft accounts	8,110.12	12,539.54
On Cash Credit	44.69	-
Foreign currency balances	0.64	1.80
Bank deposit with maturity of less than 3 months	16,041.12	11,149.61
Total	25,498.72	25,004.78

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Note 10: Bank balance other than above

Particulars	As at 31 March, 2024	As at 31 March, 2023
Deposits with original maturity for more than 3 months but less than 12 months*	6,100.61	4,889.34
On escrow accounts		
Unpaid NCD trustee account	16.03	10.40
Unpaid auction surplus deposit	171.37	421.69
Unpaid dividend account	25.77	24.75
Total	6,313.78	5,346.18

* Includes:

- Cash collateral deposits aggregating to ₹4820.36 Mn (31 March 2023: ₹ 2264.74 Mn) towards bank facilities. The cash collateral deposits are provided as an additional security to the banks for extending approved bank facilities.
- Deposits amounting to ₹ 430.16 (As at 31 March 2023: ₹ NIL) placed as credit enhancement (cash collateral) on account of securitization.

Note 11: Loans valued at amortised cost

Particulars	As at 31 March, 2024		As at 31 March, 2023	
	Amortised Cost	Total	Amortised Cost	Total
LOANS				
(A)				
i) Term loans				
- Gold loan	226,563.43	226,563.43	195,229.96	195,229.96
- Commercial vehicle loan	39,145.16	39,145.16	22,456.81	22,456.81
- Mortgage/Property LOAN	227.18	227.18	253.29	253.29
- Onlending	9,885.53	9,885.53	8,748.22	8,748.22
- Corporate finance	4.10	4.10	4.13	4.13
ii) Home loan	10,668.10	10,668.10	7,272.52	7,272.52
iii) Other loan	4,649.94	4,649.94	3,813.48	3,813.48
- Microfinance loan	97,405.11	97,405.11	81,763.68	81,763.68
- Business loan	-	-	7,440.77	7,440.77
- Others	26,575.14	26,575.14	19,331.78	19,331.78
Total (A) - Gross	415,123.69	415,123.69	346,314.64	346,314.64
Less: Impairment loss allowance	5,648.02	5,648.02	4,369.59	4,369.59
Total (A) - Net	409,475.67	409,475.67	341,945.05	341,945.05

Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Particulars	As at 31 March, 2024		As at 31 March, 2023	
	Amortised Cost	Total	Amortised Cost	Total
(B)			-	-
i) Secured by tangible assets	311,082.22	311,082.22	263,502.98	263,502.98
ii) Unsecured	104,041.47	104,041.47	82,811.66	82,811.66
Total (B) - Gross	415,123.69	415,123.69	346,314.64	346,314.64
Less: Impairment loss allowance	5,648.02	5,648.02	4,369.59	4,369.59
Total (B) - Net	409,475.67	409,475.67	341,945.05	341,945.05
(C)				
Loans in India			-	-
i) Public Sector	-	-	-	-
ii) Others	415,123.69	415,123.69	346,314.64	346,314.64
Total (C) - Gross	415,123.69	415,123.69	346,314.64	346,314.64
Less: Impairment loss allowance	5,648.02	5,648.02	4,369.59	4,369.59
Total (C) - Net	409,475.67	409,475.67	341,945.05	341,945.05

Note: There are no loans valued at fair value.

Summary of ECL provisions

Particulars	As at 31 March, 2024				As at 31 March, 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
i) Gold loan	846.28	1.00	175.32	1,022.60	890.71	19.36	131.54	1,041.61
ii) Commercial Vehicle loan (CVD)	325.07	37.15	171.94	534.15	188.02	33.94	105.35	327.31
iii) Mortgage/Property loan	3.47	0.06	6.26	9.79	11.85	0.72	17.67	30.25
iv) Onlending	28.15	-	41.26	69.41	57.20	-	42.65	99.85
v) Corporate Finance	-	-	4.10	4.10	-	-	4.13	4.13
vi) Micro Finance	958.38	126.35	2,222.25	3,306.98	799.56	161.09	1,554.84	2,515.49
vii) Home Finance	26.74	15.24	56.79	98.78	21.81	12.46	28.48	62.74
viii) Others	219.53	49.17	332.92	601.62	127.36	19.48	141.38	288.21
ix) Co lending	0.59	-	-	0.59	-	-	-	-
Total closing ECL provision	2,408.21	228.97	3,010.84	5,648.02	2,096.50	247.05	2,026.04	4,369.59

Note 11.1: Loans or advances in the nature of loans are granted to promoters, directors, KMPs and other related parties of the Group.

Particulars	As at 31 st March, 2024	% of total loans and advances in the nature of loans	As at 31 st March, 2023	% of total loans and advances in the nature of loans
Promoter	Nil	Nil	Nil	Nil
Directors	Nil	Nil	Nil	Nil
KMPs	Nil	Nil	Nil	Nil
Related parties	Nil	Nil	1,300.00	0.53%

During the year the subsidiary companies Asirvad Micro Finance Limited & Manappuram Home Finance Limited have repaid the outstanding ₹ 2500Mn(1200 Mn @ Int.Rate 9.75% & 1300 Mn @ Int.Rate 9.25%) & 500 Mn(Int. Rate.9.4 %)respectively



Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 12: Investments

Particulars	Amortised Cost	At Fair value Through profit or loss	Total
As at 31st March, 2024			
i) Debt Instruments (unquoted)			
Investment in Pass through certificates (PTC's)	-	-	-
ii) Investment in Government securities (Quoted)			
1,500,000, Units of face value ₹ 100/- each in 5.22% GOI 2025	1,553.37	-	1,553.37
1,500,000, Units of face value ₹ 100/- each in 5.15% GOI 2025	1,517.12	-	1,517.12
6.10% GOI 2031	1,948.73	-	1,948.73
Investment in Security Receipts	2,407.57	-	2,407.57
iii) Equity instruments in others (Unquoted)			
1000 Equity shares of ₹ 10/- each fully paid in CSB Bank Ltd.	-	0.36	0.36
50,000 Equity share of ₹ 10/- each fully paid in Alpha Microfinance Consultants Private Limited.	-	45.96	45.96
iii) Investment in Government Securities (Unquoted)			
10 securities of ₹ 5000/- each paid in National Savings Certificate	0.05	-	0.05
Other Securitisation- Pass Through Certificates			
Total Gross (A)	7,426.84	46.32	7,473.17
i) Investments outside India	-	-	-
ii) Investments in India	7,426.84	46.32	7,473.17
Total Gross (B)			
Less : Allowance for impairment loss (C)	-	209.80	209.80
Total - Net (D) = (A) -(C)	7,426.84	-163.48	7,263.37

Particulars	Amortised Cost	At Fair value Through profit or loss	Total
As at 31st March, 2023			
i) Debt Instruments (unquoted)			
Investment in Pass through certificates (PTC's)	-	-	-
ii) Investment in Government securities (Quoted)			
1,500,000, Units of face value ₹ 100/- each in 5.22% GOI 2025	1,533.62	-	1,533.62
1,500,000, Units of face value ₹ 100/- each in 5.15% GOI 2025	1,536.44	-	1,536.44
6.10% GOI 2031	1,085.57	-	1,085.57
Investment in Security Receipts	1,183.70	-	1,183.70
iii) Equity instruments in others (Unquoted)			
1000 Equity shares of ₹ 10/- each fully paid in CSB Bank Ltd.	-	0.25	0.25
50,000 Equity share of ₹ 10/- each fully paid in Alpha Microfinance Consultants Private Limited.	-	0.50	0.50
iii) Investment in Government Securities (Unquoted)			
10 securities of ₹ 5000/- each paid in National Savings Certificate	0.05	-	0.05
Other Securitisation- Pass Through Certificates			
Total Gross (A)	5,339.38	0.75	5,340.13
i) Investments outside India	-	-	-
ii) Investments in India	5,339.38	0.75	5,340.13
Total Gross (B)	5,339.38	0.75	5,340.13
Less : Allowance for impairment loss (C)	-	-	-
Total - Net (D) = (A) -(C)	5,339.38	0.75	5,340.13

Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 12: Investments (Contd....)

Debt instruments measured at amortised cost

Credit Quality of Assets

Internal Grade Rating	31 March, 2024				31 March, 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing								
High grade	-	-	-	-	-	-	-	-
Standard grade	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to other Investments is, as follows

Particulars	2023-24				2022-23			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount – opening balance	-	-	-	-	66.29	-	-	66.29
New assets purchased	-	-	-	-	-	-	-	-
Assets derecognised or matured	0.00	-	-	0.00	(66.29)	-	-	(66.29)
Interest accrued on investments	0.00	-	-	0.00	0.00	-	-	-
Closing balance	-	-	-	-	-	-	-	-

Particulars	2023-24				2022-23			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening Balance of ECL	-	-	-	-	0.19	-	-	0.19
ECL on new assets purchased	-	-	-	-	-	-	-	-
ECL on derecognised or matured assets / others	-	-	-	-	(0.19)	-	-	(0.19)
Closing balance in ECL	-	-	-	-	-	-	-	-

Note 13: Other financial assets

Particulars	As at 31 March, 2024	As at 31 March, 2023
Security deposits*	1,133.09	1,054.33
Commission receivable	3.21	2.21
Deferred lease rental	1.62	0.76
Funds-in-transit	814.83	607.52
Gold investment	41.21	64.24
Asset held for sale	22.29	101.56
Others**	2,378.77	1,443.15
Total	4,395.02	3,273.77

Note 14: Current tax assets (net)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Advance tax and tax deducted at source (net of Provisions for taxation)	745.08	354.73
Total	745.08	354.73



Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 15: Investment property

Particulars	Amount
Cost:	
At 1 April 2022	0.86
Additions	-
Disposals	-
At 31 March 2023	0.86
Additions	-
Disposals	-
At 31 March 2024	0.86
Depreciation and impairment:	
At 1 April 2022	-
Disposals	-
Depreciation charge for the period	-
At 31 March 2023	-
Disposals	-
Depreciation charge for the period	-
At 31 March 2024	-
Net book value:	
At 31 March 2022	0.86
At 31 March 2023	0.86
At 31 March 2024	0.86

Note 16: Property, plant and equipment

Particulars	Land/ Leasehold property	Buildings *	Office equipment	Electrical installation	Computer equipment	Furniture and fixtures	Leasehold Improvement **	Vehicles	Plant and equipment	Total
Cost:										
At 1 April 2022	438.86	1,415.23	329.80	148.50	1,088.71	2,533.87	579.42	59.63	45.51	6,639.53
Additions	46.34	59.21	196.11	9.40	716.43	404.24	62.55	3.39	1.44	1,499.11
Disposals	-	0.14	13.13	14.59	129.00	35.88	0.73	-	0.76	194.23
At 31 March 2023	485.20	1,474.30	512.78	143.31	1,676.14	2,902.23	641.24	63.02	46.19	7,944.41
Additions	44.74	21.34	162.09	13.66	396.70	328.25	111.19	5.56	1.49	1,085.02
Disposals	-	-	3.82	0.90	88.30	5.30	1.87	6.67	4.28	111.14
At 31 March 2024	529.94	1,495.64	671.05	156.07	1,984.54	3,225.18	750.56	61.91	43.40	8,918.29
Accumulated depreciation:										
At 1 April 2022		213.15	179.69	135.77	777.84	1,202.60	543.92	32.01	22.85	3,107.83
Depreciation charge for the year	-	49.54	55.69	7.67	235.98	329.52	19.14	8.11	4.03	709.68
Disposals	-	0.04	12.90	14.39	128.62	33.95	0.73	-	0.41	191.04
At 31 March 2023		262.65	222.48	129.05	885.20	1,498.17	562.33	40.12	26.47	3,626.47
Depreciation charge for the year	-	50.47	95.30	8.98	425.36	365.52	40.37	7.77	4.28	998.05
Disposals	-	-	3.34	0.90	87.84	5.30	1.87	6.27	2.94	108.46
At 31 March 2024		313.12	314.44	137.13	1,222.72	1,858.39	600.83	41.62	27.81	4,516.06
Carrying Amount										
At 1 April 2022	438.86	1,202.07	150.11	12.73	310.88	1,331.27	35.50	27.62	22.66	3,531.68
At 31 March 2023	485.20	1,211.64	290.30	14.26	790.95	1,404.06	78.91	22.90	19.72	4,317.94
At 31 March 2024	529.94	1,182.52	356.61	18.94	761.83	1,366.79	149.73	20.29	15.59	4,402.23

No revaluation of any class of asset is carried out during the year.

Title deeds of immovable properties are held in the name of the Company.

*Details of building pledged against borrowings is presented in note 22

**The Company has recognised leasehold Improvement as a new asset during the year 2023-24, due to which other assets related to branches were reclassified into Leasehold Improvements.

Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 17: Other intangible assets

Particulars	Computer Software
At 1 April 2022	593.55
Additions	144.88
Addition on acquisition of Subsidiary	-
Disposals	0.83
At 1 April 2023	737.60
Additions	223.36
Addition on acquisition of Subsidiary	-
Disposals	4.22
At 31 March 2024	956.75
Accumulated amortization	
At 1 April 2022	322.44
Charge for the year	118.56
Addition on acquisition of Subsidiary	-
Disposals	0.75
At 1 April 2023	440.25
Charge for the year	165.25
Addition on acquisition of Subsidiary	-
Disposals	4.10
At 31 March 2024	601.40
Net book value	
At 1 April 2022	267.35
At 1 April 2023	297.35
At 31 March 2024	355.35

No revaluation of any class of asset is carried out during the year.

Note 18: Other non-financial assets

Particulars	As at 31 March, 2024	As at 31 March, 2023
Prepaid expenses	347.85	433.46
Balance with government authorities	56.27	42.20
Capital advances	33.91	114.96
Others	276.52	323.61
Total	714.55	914.23

Note 19: Derivative financial instruments

The Group enters into derivatives for risk management purposes in relation to the risk of changes in foreign exchange rates on foreign currency exposures. Derivatives held by the Group for the purpose of risk management includes both hedges that meet the hedge accounting requirements or hedges that are only economic hedges and valued at fair value through profit and loss. These derivatives are valued at fair value which are quoted prices for similar assets and liabilities in active markets or inputs that are directly/ indirectly observable in the market place.



Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

The below table shows the details of the derivative instruments held by the Group:

Particulars	Amount as at	
	As at 31 st March, 2024	As at 31 st March, 2023
A) Derivatives designated as Cash flow Hedges:		
Forward Contracts	8.33	(32.85)
Cross Currency interest rate Swaps	17.12	277.25
Sub total (A)	25.45	244.40
B) Other Derivatives		
Cross Currency interest rate Swaps	-	-
Sub total (B)	-	-
Total (A+B)	25.45	244.40
Derivative financial instruments - disclosed under financial assets	25.45	277.25
Derivative financial instruments - disclosed under financial liabilities	-	(32.85)

Note 19.1 Hedging activities and derivatives

The Group is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk.

The Group's risk management strategy and how it is applied to manage risk are explained in Note 49.

Note 19.2 Derivatives designated as hedging instruments

The Holding company is exposed to foreign currency risk arising from its fixed rate foreign currency External Commercial Borrowing amounting to USD 100 million. Interest on the borrowing is payable at 7-8% p.a. and the principal amount is repayable on various due dates. The Company economically hedged the foreign currency risk arising from the loan with Cross Currency Interest Rate swaps of equivalent amount. The Cross Currency Interest Rate Swaps converts the cash outflows of the foreign currency fixed rate borrowing of USD 100 million to cash outflows in Indian Rupees with a notional amount of ₹ 831.70 Million

The Holding company is exposed to foreign currency risk arising from its fixed rate foreign currency borrowing amounting to USD 43.85 million. Interest on the borrowing is payable at 8.85 % p.a. and the principal amount is repayable in August 2024. The Company economically hedged the foreign currency risk arising from the loan with Cross Currency Interest Rate swaps of equivalent amount. The Cross Currency Interest Rate Forward converts the cash outflows of the foreign currency fixed rate borrowing of USD 43.85 million to cash outflows in Indian Rupees with a notional amount of ₹3,636 Million

There is an economic relationship between the hedged item and the hedging instrument as the terms of the forward currency contract match that of the foreign currency borrowing (notional amount, principal repayment date etc.). The company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the forward currency contract are identical to the hedged risk components. For the purpose of calculating hedge effectiveness, the company uses a qualitative features to determine the hedge effectiveness.

The reconciliation of cash flow hedge reserve for the years ended 31 March 2024 and 31 March 2023 are as follows:

Particulars	Amount As at	
	31 March, 2024	31 March, 2023
Cash flow hedge reserve as at beginning of the year	0.94	(245.83)
Gain/ (loss) recognised in other comprehensive income during the year	(114.69)	329.81
Less: Tax impact on the above	33.15	(83.04)
Fairvalue Changes of Investments held as FVOC	24.18	-
Total derivative financial instruments (A) +B))	(56.42)	0.94

"The Asirvad Micro Finance Limited (Component) is exposed to foreign currency risk arising from its fixed rate foreign currency borrowing, where the Component economically hedged the foreign currency risk arising from the loan with cross currency interest rate swaps of equivalent amount. The cross currency interest rate swaps converts the cash outflows of the foreign currency fixed rate borrowing to cash outflows in Indian Rupees with a notional amount of ₹1,000.49 Mn."

Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 20: Trade payables

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
(i) total outstanding dues of micro enterprises and small enterprises	2.23	3.40
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,216.55	1,057.46
Total	1,218.78	1,060.86

Note 20(i) Disclosures required under Section 22 of the Micro, Small & Medium Enterprises Development Act, 2006

Particulars	As at 31 March, 2024	As at 31 March, 2023
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.	2.23	3.40
The amount of interest paid by the buyer 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 each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
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.	-	-
Total	2.23	3.40

Note 20(ii) Trade payable aging schedule (Disclosure under schedule III of Companies Act, 2013)

Particulars	Outstanding for following periods from due date of payment			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
i) MSME	-	-	-	-
ii) others	542.53	45.69	40.65	101.25
iii) Disputed dues- MSME	-	-	-	-
iv) Disputed dues- others	-	-	-	-
(v) Unbilled-MSME	2.23	-	-	-
(vi) Unbilled-Others	463.13	10.29	4.48	8.53
Total	1,007.89	55.98	45.13	109.78



Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 21: Debt securities

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Others (Bonds/Debentures etc.)		
At amortised cost		
Commercial papers (unsecured)	8,357.10	-
US Dollar bonds (Secured)	-	-
Privately placed redeemable non-convertible debentures (Secured)	41,169.70	58,542.99
Others - Non-convertible debentures - Public issue (Secured)	2,273.24	4,098.87
Total (A)	51,800.04	62,641.86
Debt securities in India	51,800.04	62,641.86
Debt securities outside India	-	-
Total (B)	51,800.04	62,641.86

Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 21: Debt securities (Contd.....) Details of redeemable non-convertible debentures

Sr. No.	Private Placement/ Public issue	Date of allotment	Date of redemption	Nominal value per debenture	Total number of debentures	Rate of interest p.a.	Face value	As at 31 st March 2024	As at 31 st March 2023	Secured/ Unsecured	Terms of redemption	Listed/ Unlisted
1	Public Issue	29-Nov-18	29-Nov-23	1,000	574,214	10.00%	574.21	-	574.21	Secured	On Maturity	Listed
2	Public Issue	29-Nov-18	29-Nov-23	1,000	299,989	10.40%	299.99	-	299.99	Secured	On Maturity	Listed
3	Public Issue	29-Nov-18	29-Nov-23	1,000	147,955	Zero	147.96	-	147.96	Secured	On Maturity	Listed
						Coupon						
4	Public Issue	6-Mar-19	6-Mar-24	1,000	285,001	0.0975	285.00	-	285.00	Secured	On Maturity	Listed
5	Public Issue	6-Mar-19	6-Mar-24	1,000	205,402	10.15%	205.40	-	205.40	Secured	On Maturity	Listed
6	Public Issue	6-Mar-19	6-Mar-24	1,000	89,932	Cumulative	89.93	-	89.93	Secured	On Maturity	Listed
7	Public Issue	29-Nov-18	29-Nov-25	1,000	397,723	Zero	397.72	397.72	397.72	Secured	On Maturity	Listed
						Coupon						
8	Public Issue	6-Mar-19	5-May-26	1,000	204,779	Cumulative	204.78	204.78	204.78	Secured	On Maturity	Listed
9	Public Issue	Various Dates	Various Dates	1,000	13,265	0	13.27	13.27	36.87	Secured	On Maturity	Unlisted
10	Private Placement	43959	45054	1,000,000	1,000	0.09	1,000.00	-	1,000.00	Secured	On Maturity	Listed
11	Private Placement	1-Jun-20	1-Jun-23	1,000,000	5,000	9.10%	5,000.00	-	5,000.00	Secured	On Maturity	Listed
12	Private Placement	9-Jul-20	9-Jul-30	1,000,000	250	9.50%	250.00	250.00	250.00	Secured	On Maturity	Listed
13	Private Placement	14-Aug-20	9-Jul-30	1,000,000	250	9.50%	250.00	250.00	250.00	Secured	On Maturity	Listed
14	Private Placement	14-Aug-20	9-Jul-30	1,000,000	400	9.50%	400.00	400.00	400.00	Secured	On Maturity	Listed
15	Private Placement	14-Aug-20	9-Jul-30	1,000,000	350	9.50%	350.00	350.00	350.00	Secured	On Maturity	Listed
16	Private Placement	22-Dec-20	22-Dec-23	1,000,000	2,500	7.45%	2,500.00	-	2,500.00	Secured	On Maturity	Listed
17	Private Placement	22-Dec-20	22-Dec-23	1,000,000	1,500	7.45%	1,500.00	-	1,500.00	Secured	On Maturity	Listed
18	Private Placement	28-Jan-21	28-Jan-26	1,000,000	1,500	8.57%	1,500.00	1,500.00	1,500.00	Secured	On Maturity	Listed
19	Private Placement	28-Jan-21	28-Jan-27	1,000,000	1,500	8.57%	1,500.00	1,500.00	1,500.00	Secured	On Maturity	Listed
20	Private Placement	28-Jan-21	28-Jan-28	1,000,000	3,000	8.57%	3,000.00	3,000.00	3,000.00	Secured	On Maturity	Listed
21	Private Placement	30-Dec-21	30-Dec-24	1,000,000	2,500	6.95%	2,500.00	2,500.00	2,500.00	Secured	On Maturity	Listed
22	Private Placement	28-Jan-22	28-Feb-24	1,000,000	4,000	6.93%	4,000.00	-	4,000.00	Secured	On Maturity	Listed
23	Private Placement	28-Jan-22	28-Jan-24	1,000,000	4,000	6.93%	4,000.00	-	4,000.00	Secured	On Maturity	Listed
24	Private Placement	20-Jul-22	20-Oct-23	1,000,000	963	8.35%	962.50	-	962.50	Secured	On Maturity	Unlisted
25	Private Placement	20-Jul-22	20-Jan-24	1,000,000	963	8.35%	962.50	-	962.50	Secured	On Maturity	Unlisted
26	Private Placement	20-Jul-22	20-Apr-24	1,000,000	963	8.35%	962.50	962.50	962.50	Secured	On Maturity	Unlisted
27	Private Placement	20-Jul-22	20-Jul-24	1,000,000	963	8.35%	962.50	962.50	962.50	Secured	On Maturity	Unlisted
28	Private Placement	20-Jul-22	20-Oct-24	1,000,000	963	8.35%	962.50	962.50	962.50	Secured	On Maturity	Unlisted
29	Private Placement	20-Jul-22	20-Jan-25	1,000,000	963	8.35%	962.50	962.50	962.50	Secured	On Maturity	Unlisted
30	Private Placement	20-Jul-22	20-Apr-25	1,000,000	963	8.35%	962.50	962.50	962.50	Secured	On Maturity	Unlisted
31	Private Placement	20-Jul-22	20-Jul-25	1,000,000	963	8.35%	962.50	962.50	962.50	Secured	On Maturity	Unlisted
32	Private Placement	13-Mar-23	13-Mar-31	100,000	36,666	9.22%	3,666.63	3,666.63	3,666.63	Secured	On Maturity	Listed



Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Sr. No.	Private Placement/ Public issue	Date of allotment	Date of redemption	Nominal value per debenture	Total number of debentures	Rate of interest p.a.	Face value	As at 31 st March 2024	As at 31 st March 2023	Secured/ Unsecured	Terms of redemption	Listed/ Unlisted
33	Private Placement	13-Mar-23	13-Mar-32	100,000	36,666	9.22%	3,666.63	3,666.63	3,666.63	Secured	On Maturity	Listed
34	Private Placement	13-Mar-23	13-Mar-33	100,000	36,667	9.22%	3,666.74	3,666.74	3,666.63	Secured	On Maturity	Listed
35	Private Placement	6-Oct-23	29-Sep-25	100,000	40,000	8.80%	4,000.00	4,000.00	-	Secured	On Maturity	Listed
36	Private Placement	6-Oct-23	28-Mar-25	100,000	20,000	8.65%	2,000.00	2,000.00	-	Secured	On Maturity	Listed
37	Private Placement	5-Mar-24	5-Mar-26	100,000	20,000	8.80%	2,000.00	2,000.00	-	Secured	On Maturity	Listed
38	Private Placement	28-Mar-24	28-Mar-34	100,000	2,500	8.60%	250.00	250.00	-	Secured	On Maturity	Listed
39	Public Issue	4-Nov-19	3-Nov-24	1,000	2	10.25%	236.05	236.05	236.05	Secured	On Maturity	Listed
40	Public Issue	4-Nov-19	3-Nov-24	1,000	1	10.65%	64	64	64.03	Secured	On Maturity	Listed
41	Public Issue	4-Nov-19	3-Nov-24	1,000	0	10.65%	33	33	32.89	Secured	On Maturity	Listed
42	Public Issue	4-Nov-19	7-Sep-26	1,000	2	10.65%	220	220	220.34	Secured	On Maturity	Listed
43	Private Placement	21-Nov-22	21-Nov-24	1,000,000	0	8.50%	500	500	500.00	Secured	On Maturity	Listed
44	Private Placement	20/Jul/2020	19/Jul/2023	1,000,000	0.0025	94.0%	250	-	250.00	Secured	On Maturity	Listed
45	Private Placement	3/30/2021	3/30/2025	750,000	500	9.75%	375	375	440.00	SECURED	Half-yearly	Unlisted
46	Private Placement	7/9/2021	12/31/2024	333,333	350	11.40%	117	117	233.33	UNSECURED	Yearly	Unlisted
47	Private Placement	8/27/2021	2/27/2025	1,000,000	730	11.05%	730	730	730.00	SECURED	Bullet	Listed
48	Private Placement	9/21/2021	9/15/2026	1,000,000	1,450	11.05%	1,450	1,450	1,450.00	SECURED	Bullet	Listed
49	Private Placement	11/9/2021	5/9/2024	1,000,000	450	9.70%	450	450	450.00	SECURED	Bullet	Listed
50	Private Placement	11/9/2021	5/9/2024	1,000,000	300	9.70%	300	300	300.00	SECURED	Bullet	Listed
51	Private Placement	9/12/2022	9/12/2024	1,000,000	1,000	9.60%	1,000	1,000	1,000.00	SECURED	Bullet	Listed
52	Private Placement	9/28/2022	9/28/2024	1,000,000	1,150.00	8.50%	1,150	1,150.00	1,150.00	SECURED	Bullet	Listed
53	Private Placement	7/20/2023	1/20/2026	100,000	2,500.00	9.30%	250	250.00	-	SECURED	Bullet	Listed
54	Private Placement	5/30/2019	5/30/2024	10,000	-	11.63%	0	0.15	500.00	UNSECURED	Bullet	Listed
55	Private Placement	5/28/2020	4/28/2023	1,000,000	-	10.50%	500	-	500.00	SECURED	Bullet	Listed
56	Private Placement	29-May-20	5/29/2023	1,000,000	-	11.00%	200	-	200.00	SECURED	Bullet	Listed
57	Private Placement	12-Jun-20	5/29/2023	1,000,000	-	11.00%	250	-	250.00	SECURED	Bullet	Listed
58	Private Placement	6/22/2020	4/21/2023	166,666	-	-	83	-	83.33	SECURED	Half-yearly	Listed
59	Private Placement	6/26/2020	6/26/2023	1,000,000	-	11.00%	350	-	350.00	SECURED	Bullet	Listed
60	Private Placement	6/26/2020	6/26/2023	1,000,000	-	11.00%	500	-	500.00	SECURED	Bullet	Listed
61	Private Placement	7/23/2020	4/28/2023	1,000,000	0	10.50%	250	-	250.00	SECURED	Bullet	Listed
62	Private Placement	7/13/2021	7/13/2023	1,000,000	0	9.65%	606	-	606.00	SECURED	Bullet	Listed
63	Private Placement	7/29/2021	1/29/2024	1,000,000	0	9.71%	1,726	-	1,726.00	SECURED	Bullet	Listed
64	Private Placement	9/6/2021	2/23/2024	333,333	0	10.00%	150	-	150.00	UNSECURED	Bullet	Listed
Total amount								42,265.89	60,863.73			
Effective Interest Rate Adjustment								(476.84)	234.54			
Interest Accrued but not due								1,653.88	1,543.59			
Net Amount								43,442.94	62,641.86			

Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 22: Borrowings (other than debt securities)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
At amortised cost:		
Term Loan*		
Indian rupee loan from banks (secured)	179,904.20	130,762.81
Foreign currency term loan from banks (secured)	12,070.31	7,256.53
Indian rupee loan from other parties (secured)	7,174.05	9,145.84
Indian rupee loan from other parties (unsecured)	199.71	1,578.99
Loans repayable on demand		
Cash credit / Overdraft facilities from banks (secured)	2,255.05	3,206.22
from other parties		
Other loans		
Working Capital demand loan from banks (secured)	74,183.44	62,009.21
Other loans		
Vehicle loans (Secured)	-	-
Borrowings under securitisation arrangement	4,082.55	4,286.90
Total	279,869.31	218,246.50
Borrowings in India*	279,869.31	218,246.50
Borrowings outside India	-	-
Total	279,869.31	218,246.50

*Term Loans were fully used for the purpose for which the same were obtained.

*Includes foreign currency loan borrowed from SBI Bank.

The Group has not defaulted in repayment of principal and interest during the year and as at balance sheet date 31 March 2024.

Term loan from bank:

Indian rupee loan from banks (secured): These are secured by an exclusive charge by way of hypothecation of book debts pertaining to loans granted against gold and margin/cash collateral as per the agreement. Further, the loan has been guaranteed by personal guarantee of Mr. V.P Nandakumar, Managing Director and CEO to the extent of Nil (31 March 2023: Nil)

Foreign currency term loans (ECB) from banks (secured):

- Foreign currency loan: 1. ₹3636.30 million as at March 31, 2024 (March 31, 2023 ₹7,270 Million) which carries interest @ 6 month SOFAR plus 120 bps. The loan is repayable after 3 years from the date of its origination, viz., March 17,2022.
- Foreign currency loan: 1. ₹4160.00 million(ECB) as at March 31, 2024 (March 31, 2023 ₹Nil) which carries interest @ 6 month SOFAR plus 225 bps. The loan is repayable after 3 years from the date of its origination, viz., October 25,2023.
- Foreign currency loan: 1. ₹4157.00 million(ECB) as at March 31, 2024 (March 31, 2023 ₹Nil) which carries interest @ 6 month SOFAR plus 235 bps. The loan is repayable after 3 years from the date of its origination, viz., January 24,2024. The loans are secured against the first pari passu charge on current assets, book debts and receivables including gold loans & advances of the Company.

Term loan from other parties (secured):

Third party rupee term loan is secured where Interest payments are made quarterly at 6.75 % - 10.75% pa. The loans is secured against the first pari passu charge on current assets, book debts and receivables including gold loans & advances of the Company as per the agreement.

Term loan from other parties (unsecured):

Third party rupee term loan is unsecured where interest payments are made quarterly at Nil.



Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Loans repayable on demand

Cash credit / Overdraft facilities from banks (secured):

These loans are secured against the first pari passu charge on current assets, book debts and receivables including gold loans & advances of the Company as per the agreement. Further, the loan has been guaranteed by personal guarantee of Mr. V.P Nandakumar, Managing Director and CEO to the extent of Nil(31 March 2023: ₹ Nil)

Working Capital demand loan from banks (secured):

These loans are secured against the first pari passu charge on current assets, book debts and receivables including gold loans & advances of the Company as per the agreement. Further, the loan has been guaranteed by personal guarantee of Mr. V.P Nandakumar, Managing Director and CEO to the extent of Nil (31 March 2023: ₹ Nil)

Other loans

Vehicle Loans: The loans are secured by hypothecation of the respective vehicles against which the loan has been availed- Nil

A) Indian rupee loan from banks (secured)

As at 31st March, 2024

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Above 2 year	6.50 - 9.75%	57,598.84
Due within 1-2 years	6.50 - 9.75%	25,317.19
Due within 1 year	6.50 - 9.75%	5,200.06
Total		88,116.09
Effective interest rate adjustment		(99.31)
Interest Accrued but not due		-
Net Amount		88,016.78

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Above 2 year	5%-13.5%	7,764.99
Due within 1-2 years	7%-13.5%	24,838.75
Due within 1 year	7%-13.5%	47,430.26
Total		80,034.00
Effective interest rate adjustment		(259.91)
Interest accrued but not due		101.99
Net Amount Total (B)		79,876.08

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
More than 5 years	8.00% - 10.25%	3,059.98
Due within 2-5 years	8.00% - 10.25%	5,096.21
Due within 1-2 years	8.00% - 10.25%	2,009.65
Due within 1 year	8.00% - 10.25%	1,855.48
Interest accrued and due on borrowings		
Net Amount Total (C)		12,021.32
TOTAL (A+B+C)		179,914.18

Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

As at 31st March, 2023

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Above 2 year	6.50 - 9.75%	18,409.73
Due within 1-2 years	6.50 - 9.75%	25,594.50
Due within 1 year	6.50 - 9.75%	23,397.06
Total		67,401.29
Effective interest rate adjustment		(88.76)
Interest accrued but not due		-
Net Amount Total (A)		67,312.53

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Above 2 year	8.50% - 11.50%	23,982.31
Due within 1-2 years	5.15% - 12.50%	28,125.51
Due within 1 year	7.80% - 12.00%	4,783.44
		56,891.26
Effective interest rate adjustment		(159.44)
Interest accrued but not due		114.64
Net Amount Total (B)		56,846.46

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
More than 5 years	8.15% - 10.25%	2,003.24
Due within 2-5 years	8.15% - 10.25%	3,170.17
Due within 1-2 years	8.15% - 10.25%	1,290.59
Due within 1 year	8.15% - 10.25%	1,461.55
Interest accrued and due on borrowings		
Net Amount Total (C)		7,925.55
TOTAL (A+B+C)		132,084.54

B) Indian rupee loan from other parties (secured)

As at 31st March, 2024

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Above 2 year		-
Due within 1-2 years	6.75 -10.75%	3,097.50
Due within One year	6.75 -10.75%	416.66
Total		3,514.16
Effective interest rate adjustment		(1.80)
Interest Accrued but not due		-
Net Amount		3,512.36



Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Above 2 year	9%-11%	667.22
Due within 1-2 years	9%-11%	1,026.53
Due within One year	9%-13.5%	1,872.52
Total		3,566.27
Effective interest rate adjustment		(25.48)
Interest accrued but not due		9.61
Revaluation Adjustment		111.29
Net Amount Total (B)		3,661.69
TOTAL (A+B)		7,174.05

As at 31st March, 2023

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Above 2 year	6.75 -10.75%	-
Due within 1-2 years	6.75 -10.75%	2,576.67
Due within One year	6.75 -10.75%	545.50
Total		3,122.17
Effective interest rate adjustment		(0.03)
Interest accrued but not due		-
Net Amount Total (A)		3,122.14

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Above 2 year	10% - 10.06%	1,575.38
Due within 1-2 years	9.95% - 12.05%	1,721.38
Due within One year	9.9% - 10.52%	2,728.24
Total		6,025.00
Effective interest rate adjustment		(5.39)
Interest accrued but not due		4.09
Net Amount Total (B)		6,023.70
TOTAL (A+B)		9,145.84

C) Indian rupee loan from others (Unsecured)

As at 31st March, 2024

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Due within one year	Nil	-
Interest Accrued but not due		-
Total		-

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Due within one year	9%-11%	200.00
Effective interest rate adjustment		(0.29)
Interest Accrued but not due/Effective interest rate adjustment		-
Total (B)		199.71
Grand Total (A+B)		199.71

Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

As at 31st March, 2023

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Due within one year	Nil	-
Interest Accrued but not due		-
Total		-

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Due within one year	9.25% - 10.25%	1,580.00
Interest Accrued but not due/Effective interest rate adjustment		(1.01)
Total (B)		1,578.99
Grand Total (A+B)		1,578.99

D) Vehicle loans (Secured loans)

Terms of repayment

Tenure (from the date of Balance Sheet)	As at 31 March 2024			As at 31 March 2023		
	Rate of Interest			Rate of Interest		
	< 10%	>= 10% < =12%	Total	< 10%	>= 10% < =12%	Total
	Amount	Amount	Amount	Amount	Amount	Amount
Due within 3-5 years	-	-	-	-	-	-
Due within 2-3 years	-	-	-	-	-	-
Due within 1-2 years	-	-	-	-	-	-
Due within 1 year	-	-	-	-	-	-
Grand Total	-	-	-	-	-	-

The loans are secured by hypothecation of the respective vehicles against which the loan has been availed.

Note 23: Deposits

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
At amortised cost:		
Deposits		
- From others	0.70	0.91
Total	0.70	0.91

Note 24: Subordinated liabilities

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
At amortised cost:		
Redeemable non-convertible debentures (Unsecured) - Subordinated debt	4,864.63	3,940.11
Subordinated bonds from others		-
Total	4,864.63	3,940.11
Subordinated liabilities in India	4,864.63	3,940.11
Subordinated liabilities outside India	-	-
Total	4,864.63	3,940.11



Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 24: Subordinated liabilities (Contd.)

Subordinate bonds from others:

Subordinate bonds have a face value of ₹ 1,000/- each. Details of rate of interest and maturity pattern from the date of the balance sheet is as under:

As at 31st March, 2024

Redeemable at par within	Rate of interest							
	< 12%		>= 12% < 14%		> =14%<=15%		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Due within 2-3 years	-	-	-	-	-	-	-	-
Due within 1-2 years	-	-	-	-	-	-	-	-
Due within 1 year	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-
Effective Interest Rate Adjustment								-
Interest accrued but not due								-
Grand Total								-

As at 31st March, 2023

Redeemable at par within	Rate of interest							
	< 12%		>= 12% < 14%		> =14%<=15%		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Due within 2-3 years	-	-	-	-	-	-	-	-
Due within 1-2 years	-	-	-	-	-	-	-	-
Due within 1 year	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-
Effective Interest Rate Adjustment								-
Interest accrued but not due								-
Grand Total								-

Redeemable Non-Convertible Debentures (Unsecured) have a face value of ₹ 10,00,000/- each. Details of rate of interest and maturity pattern from the date of the balance sheet is as under:

As at 31st March, 2024

Redeemable at par within	Rate of interest							
	< 12%		>= 12% < 14%		> =14%<=15%		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Due above 5 years	1	1,000	-	-	-	-	1	1,000.00
Due within 4-5 years	3	1,750			-	-	3	1,750.00
Due within 3-4 years			2	1,050	-	-	2	1,050.00
Due within 2-3 years	1	1,000	-	-	-	-	1	1,000.00
Due within 1-2 years			-	-	-	-	-	-
Due within 1 year					-	-	-	-
Grand Total	5	3,750.00	2	1,050.00	-	-	7	4,800.00
Effective Interest Rate Adjustment		(123.99)		(8.34)				(132.33)
Interest accrued but not due		184.20		12.76				196.96
Net Total	5	3,810.21	2	1,054.42	-	-	7	4,864.63

Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

As at 31st March, 2023

Redeemable at par within	Rate of interest							
	< 12%		≥ 12% < 14%		≥ 14% ≤ 15%		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Due above 5 years	2,650	1,750	-	-	-	-	2,650	1,750.00
Due within 4-5 years	-	-	5,550	1,050.00	-	-	5,550	1,050.00
Due within 3-4 years	10,000	1,000.00	-	-	-	-	10,000	1,000.00
Due within 2-3 years	-	-	-	-	-	-	-	-
Due within 1-2 years	-	-	-	-	-	-	-	-
Due within 1 year	-	-	150	150.00	-	-	150	150.00
Grand Total	12,650	2,750.00	5,700	1,200.00	-	-	18,350	3,950.00
Effective Interest Rate Adjustment								(9.89)
Net Total								3,940.11

Note 25: Other financial liabilities

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Unclaimed matured non-convertible debenture	16.03	16.57
Unclaimed dividend	25.73	24.70
Unclaimed matured subordinate bonds and interest accrued thereon	5.79	10.44
Security deposits	604.71	670.67
Payable to customers (Auction surplus refundable)	162.16	429.49
Interest payable on securitization	873.14	558.80
Employee related payables	1,077.09	1,080.23
Others	1,650.32	512.43
Total	4,414.97	3,303.33

Note 26: Provisions

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Loan commitments	2.62	2.09
Employee benefits		
- Gratuity	240.04	228.76
- Provision for compensated absences	288.51	274.45
Litigation	147.50	131.09
Others (taxation)	4.23	2.95
Provision for other assets	41.88	92.64
Total	724.78	731.98

Movement of provisions other than employee benefits during the year

The movement in provisions during 2023-24 and 2022-23 is, as follows:

Particulars	Litigation	Other Assets	Total
	₹ in Mn	₹ in Mn	₹ in Mn
At 31 March 2022	107.10	146.44	253.54
Provided /(reversed) during the year	23.99	(53.80)	(29.81)
At 31 March 2023	131.09	92.64	223.73
Provided /(reversed) during the year	16.41	(50.76)	(34.35)
At 31 March 2024	147.50	41.88	189.38

Litigation:

Litigation provisions arise out of current or potential claims or pursuits alleging non-compliance with contractual or other legal or regulatory responsibilities, which have resulted or may arise in claims from customers, counterparties or other parties in civil litigations.



Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 26: Provisions (Contd.)

Credit quality of exposure

Particulars	31 March 2024				31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing								
High grade	-	-	-	-	-	-	-	-
Standard grade	4,945.47	14.17	-	4,959.65	3,171.56	-	-	3,171.56
Sub-standard grade	-	-	-	-	-	-	-	-
Past due but not impaired	-	-	-	-	-	-	-	-
Low risk grade	-	-	-	-	-	-	-	-
Non- performing								
Individually impaired	-	-	-	-	-	-	-	-
Total	4,945.47	14.17	-	4,959.65	3,171.56	-	-	3,171.56

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Undisbursed loans is as follows:

Particulars	FY 2023-24				FY 2022-23			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	3,171.56	-	-	3,171.56	1,982.99	15.03	-	1,998.02
New assets originated or purchased	2,245.47	14.17	-	2,259.65	1,671.56	-	-	1,671.56
Assets derecognised or repaid (excluding write offs)	(471.56)	-	-	(471.56)	(482.99)	(15.03)	-	(498.02)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Amounts written off	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	4,945.47	14.17	-	4,959.65	3,171.56	-	-	3,171.56

Reconciliation of ECL balance is given below:

Particulars	FY 2023-24				FY 2022-23			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	1.98	0.12	-	2.09	0.83	0.12	-	0.94
New assets originated or purchased	1.55	0.29	-	1.84	1.43	0.12	-	1.55
Assets derecognised or repaid (excluding write offs)	(1.19)	(0.12)	-	(1.31)	(0.28)	(0.12)	-	(0.40)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Impact on year end ECL of exposures transferred between stages during the year	-	-	-	-	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Amounts written off	-	-	-	-	-	-	-	-
ECL allowance - closing balance	2.34	0.29	-	2.62	1.98	0.12	-	2.09

Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 27: Other Non-financial liabilities

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Statutory dues payable	463.68	461.23
Auction surplus	-	-
Retention money and other sundry liabilities	1,673.88	1,091.90
Advance from customers	-	58.37
Other	14.28	14.71
Total	2,151.84	1,626.21

Note 28: Equity share capital

The reconciliation of equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Authorised		
980,000,000 (31 March 2023: 980,000,000) equity shares of ₹ 2/- each	1,960.00	1,960.00
4,00,000 (31 March 2023: 400,000) preference shares of ₹ 100/- each	40.00	40.00
Total Authorised	2,000.00	2,000.00
Issued, subscribed and fully paid up		
84,63,94,729 (31 March 2023: 846,394,729) equity shares of ₹ 2/- each	1,692.87	1,692.79
Total Issued, subscribed and fully paid up	1,692.87	1,692.79

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Particulars	No. in Millions	₹ in Millions
As at 31 March 2022	846.39	1,692.79
Issued during the year - ESOP (refer note 41)	-	-
As at 31 March 2023	846.39	1,692.79
Issued during the year - ESOP (refer note 41)	0.04	0.08
As at 31 March 2024	846.43	1,692.87

Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended 31 March 2024, the amount of per share dividend recognized as distributions to equity shareholders was ₹3.30/- per share (31 March 2023: ₹ 3/- per share)

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.

Details of shareholders holding more than 5% shares in the Company

Particulars	31 st March, 2024		31 st March, 2023	
	No. in Millions	% holding in the class	No. in Millions	% holding in the class
Mr. Nandakumar V P	245.45	29.00	245.45	29.00
Ms. Sushama Nandakumar	48.00	5.67	48.00	5.67
DSP Small Cap Fund	-	-	43.07	5.09
Quinag Acquisition (FPI) Ltd	-	-	83.79	9.90

As per the records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.



Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Shareholding and change in shareholding percentages of promoters

Promoter*	Details of shares as at 31-03-2024		Details of shares as at 31-03-2023		% change during the year**
	No of shares	% of total share	No of shares	% of total share	
V.P.Nandakumar	245,454,221	29.00%	245,454,221	29.00%	0.00%
Sooraj Nandan	3,674	0.00%	3,674	0.00%	0.00%
Sushama Nandakumar	48,001,078	5.67%	48,001,078	5.67%	0.00%
Suhas Nandan	17,051	0.00%	17,051	0.00%	0.00%
Jyoti Prasannan	4,474,990	0.53%	4,474,990	0.53%	0.00%

*Promoter means promoter as defined as per Companies Act, 2013

**Percentage change shall be computed with respect to the number at the beginning of the year

Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

The Company has issued 36,24,872 equity shares (31 March 2023: 3,858,967) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in the form of employee services.

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, refer note 41

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

Note 29: Other equity

Securities premium	
At 1 April 2022	14,108.55
Add: Additions on ESOPs exercised	47.03
At 1 April 2023	14,155.58
Add: Additions on ESOPs exercised	(1,335.22)
Add: Share Premium Received During the year	1,380.17
At 31 March 2024	14,200.52

Share option outstanding account	
At 1 April 2022	136.02
Add: Other Additions/ Deductions during the year	0.28
At 1 April 2023	136.30
Add: Other Additions/ Deductions during the year	1.69
Options Lapsed during the year	(133.31)
Add: Share Premium Received During the year	(4.52)
At 31 March 2024	0.16

Statutory reserve u/s 45-IC of the RBI Act, 1934 and u/s 29C of NHB Act, 1987	
At 1 April 2022	18,221.70
Add: Transfer from surplus balance in the Statement of Profit and Loss	3,007.72
At 1 April 2023	21,229.42
Add: Transfer from surplus balance in the Statement of Profit and Loss	4,271.96
At 31 March 2024	25,501.38

Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

General reserve	
At 1 April 2022	3,627.02
Add: Other Additions/ Deductions during the year	-
At 1 April 2023	3,627.02
Add: Other Additions/ Deductions during the year	10.57
Add: Options Lapsed during the year	133.31
At 31 March 2024	3,770.90
Hedging reserve	
At 1 April 2022	4.24
Add/(Less): Effect of foreign exchange rate variations in Hedging instruments	1.18
At 1 April 2023	5.42
Add/(Less): Effect of foreign exchange rate variations in Hedging instruments	-
At 31 March 2024	5.42
Retained earnings	
At 1 April 2022	45,718.89
Add: Profit for the year	15,069.33
Add/Less: Appropriations	-
Transfer to/(from) Impairment reserve	-
Interim dividend on equity shares including tax thereon	(2,619.57)
Transfer to Statutory Reserve	(3,007.73)
Loss on acquisition	-
Movements during the year	-
At 1 April 2023	55,160.95
Add: Profit for the year	22,049.99
Add/Less: Appropriations	-
Transfer to/(from) Impairment reserve	-
Interim dividend on equity shares including tax thereon	(2,943.18)
Transfer to Statutory Reserve	(4,271.96)
Loss on acquisition	-
Movements during the year	-
At 31 March 2024	69,995.80
Other comprehensive income - Actuary gain / (loss)	
At 1 April 2022	(84.91)
Movements during the year	20.41
At 1 April 2023	(64.50)
Movements during the year	(70.09)
At 31 March 2024	(134.59)



Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Other comprehensive income - Effective portion of cash flow hedges	
At 1 April 2022	(245.83)
Movements during the year	246.77
At 1 April 2023	0.94
Movements during the year	(57.36)
At 31 March 2024	(56.42)

Share application money pending allotment	
At 1 April 2022	0.02
Movements during the year	(0.02)
At 1 April 2023	-
Movements during the year	-
At 31 March 2024	-

Capital redemption reserve	
At 1 April 2022	50.00
Add: Other Additions/ Deductions during the year	-
At 1 April 2023	50.00
Add: Other Additions/ Deductions during the year	-
At 31 March 2024	50.00

Capital reserve	
At 1 April 2022	2.91
Add: Other Additions/ Deductions during the year	-
At 1 April 2023	2.91
Add: Other Additions/ Deductions during the year	-
At 31 March 2024	2.91

Impairment Reserve	
At 1 April 2022	452.07
Add: Other Additions/ Deductions during the year	-
At 1 April 2023	452.07
Add: Other Additions/ Deductions during the year	-
At 31 March 2024	452.07

Total other equity	113,788.15
At 1 April 2022	81,990.69
At 1 April 2023	94,756.10
At 31 March 2024	113,788.15

Nature and purpose of Reserves

Statutory reserve (Statutory Reserve pursuant to Section 45-IC of The RBI Act, 1934): Section 45IC of Reserve Bank of India Act, 1934 ("RBI Act, 1934") defines that every non banking finance institution which is a Company shall create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the statement of profit and loss before any dividend is declared. The Company has transferred an amount of ₹ 4271.96 Mn (2022-23 ₹ 3007.72 Mn) to Statutory reserve pursuant to Section 45-IC of RBI Act, 1934.

Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Statutory reserve (Pursuant to section 29C of the NHB Act, 1987 & Section 36(1)(viii) of Income Tax Act, 1961):

Section 29C (i) of The National Housing Bank Act, 1987 defines that every housing finance institution which is a Company shall create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the statement of profit and loss before any dividend is declared. For this purpose any special reserve created by the Company under Section 36(1) (viii) of Income tax Act 1961, is considered to be an eligible transfer. The Company has transferred an amount of ₹ 39.80 Mn (2022-23 -38.94 Mn) to special reserve in terms of Section 36(1) (viii) of the Income Tax Act 1961 considered eligible for special reserve u/s 29C of NHB Act 1987.

Securities premium:

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.

Hedge Reserve:

The Company uses hedging instruments as part of its management of foreign currency risk and interest rate risk associated on borrowings as described within note 50. For hedging foreign currency and interest rate risk, the Company uses foreign currency forward contracts, cross currency swaps, foreign currency option contracts and interest rate swaps. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the hedge reserve. Amounts recognised in the hedge reserve is reclassified to the statement of profit or loss when the hedged item affects profit or loss (e.g. interest payments).

Debenture redemption reserve:

- (1) Pursuant to Section 71 of the Companies Act, 2013 and circular 04/2013, read with notification issued date June 19, 2016 issued by Ministry of Corporate Affairs, the Company is required before 30th day of April of each year to deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debenture issued through public issue maturing within one year from the balance sheet date.
- (2) Pursuant to notification issued by Ministry of Corporate Affairs on 16th August, 2019 in exercise of the powers conferred by sub-sections (1) and (2) of section 469 of the Companies Act, 2013 (18 of 2013), the Central Government amend the Companies (Share Capital and Debentures) Rules, 2014.

In the principal rules, in rule 18, for sub-rule (7), the limits with respect to adequacy of Debenture Redemption Reserve and investment or deposits for listed companies (other than All India Financial Institutions and Banking Companies as specified in sub-clause (i)), Debenture Redemption Reserve is not required to maintain in case of public issue of debentures as well as privately placed debentures for NBFCs registered with Reserve Bank of India under section 45-IA of the RBI Act, 1934.

- (3) By complying with the above notification, the Company has transferred back ₹ NIL Mn from DRR to Retained earnings in the financial year ended 31 March 2024 and 31 March 2023

General Reserve:

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Share option outstanding account (ESOP reserve):

The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 41 for further details of these plans.

Other comprehensive income:

Other items of other comprehensive income consist of re-measurement of net defined benefit liability/asset and fair value changes on derivatives designated as cash flow hedge, net.



Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Impairment Reserve

The NBFCs will have to compute two types of provisions or loss estimations, ECL as per Ind AS 109 & its internal ECL model and parallelly provisions as per the RBI prudential norms. A comparison between the two is required to be disclosed by the NBFC in the annual financial statements. Where the ECL computed as per the ECL methodology is lower than the provisions computed as per the IRAC norms, then the difference between the two should be parked in "Impairment Reserve". Allocation to Impairment Reserve should be made out of Retained earnings and there are certain restrictions towards utilization of this reserve amount.

Capital redemption reserve

In accordance with Section 69 of the Companies Act, 2013, the Company creates capital redemption reserve equal to the nominal value of the shares bought back as an appropriation from general reserve.

Capital Reserve

The Company creates the Capital reserve to be used for future expenses or to offset any capital losses.

Note 30: Revenue from operations

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
On financial assets measured at amortised cost:		
Interest on loans		
- Gold loans	44,232.97	39,903.31
- Home loans	1,623.46	1,722.91
- Commercial vehicles	5,369.75	3,671.42
- Onlending	1,185.75	311.87
- Microfinance loans	22,685.51	13,956.95
- SME loans	1,871.49	1,086.10
- MSME and Allied Business	6,211.80	2,586.73
Interest on deposits with banks	1,209.19	1,163.54
Interest income from investments	156.07	157.55
Total	84,545.99	64,560.38

Note 30 (ii): Fees and commission income

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Foreign exchange commission	0.11	0.28
Money transfer commission	29.88	31.20
Brokerage and commission	1,041.21	120.13
Fee received for IT services	201.88	49.39
Total	1,273.08	201.00

Note 30 (iii): Net gain on fair value changes

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Net gain on financial instruments at fair value through profit or loss	1,425.01	1,037.12
On trading portfolio		
- Investments	-	-
- Derivatives	-	-
Total Net gain on fair value changes (A)	1,425.01	1,037.12
Fair value changes:		
- Realised	1,425.01	1,037.12
- Unrealised	-	-
Total Net gain on fair value changes (B)	1,425.01	1,037.12

Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 30 (iv): Other operating income

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Bad debt recovered	437.55	775.29
Foreclosure charges	28.13	20.15
Others	363.10	186.76
Total	828.78	982.20

Disaggregated revenue disclosures:

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2024 and March 31 2023 by nature of products sold. The Company believe that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors.

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Revenue by products / services		
Interest income	84,545.99	64,404.08
Fees and commission	1,273.08	201.00
Others	2,253.79	2,019.32
Total revenue from operations*	88,072.86	66,624.40

* The revenue from operations is earned in India.

Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures for contracts that have original expected duration of one year or less.

Note 31: Other income

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Net gain on derecognition of property, plant and equipment	5.85	8.08
Provisions no longer required written back	2.90	-
Others	712.05	494.70
Total	720.80	502.78

Note 32: Finance costs

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
On financial liabilities measured at amortised cost:		
Interest on debt securities	5,725.17	8,323.68
Interest on UD Dollar Bond	-	-
Interest on borrowings	21,663.23	12,224.33
Interest on subordinated liabilities	-	0.15
Other interest expense	336.51	463.16
Other borrowing costs	255.78	177.91
- Others	-	-
- Term Loans from Banks		
- Term Loans from NBFCs		
Finance cost on lease liability	676.41	688.62
Total	28,657.10	21,877.85



Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 33: Fees and commission expense

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
On financial liabilities measured at amortised cost:		
Commission paid	505.51	254.30
Total	505.51	254.30

Note 34: Impairment on financial instruments

The below table show impairment loss on financial instruments charges to statement of profit and loss based on category of financial instrument.

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
On financial instruments measured at amortised cost:		
Loans	5,783.35	3,071.61
Investments	-	(0.19)
Total	5,783.35	3,071.42

Note 35: Employee benefits expenses

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Salaries and wages	14,617.46	13,199.42
Contribution to provident and other funds	1,359.84	1,378.15
Share based payments to employees	0.06	-
Staff welfare expenses	(4.14)	117.31
Total	15,973.22	14,694.88

Note 36: Depreciation and amortisation

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Depreciation of tangible assets	997.45	708.07
Amortization of intangible assets	152.57	113.19
Depreciation on right of use assets	1,314.44	1,216.31
Total	2,464.46	2,037.57

Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 37: Other expenses

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Rent	328.61	271.20
Energy costs	315.13	283.48
Repairs and maintenance		
- Vehicles	3.24	4.28
- Others	431.18	372.99
Rates and taxes	111.63	65.64
Printing and stationery	223.05	170.34
Travelling and conveyance	1,035.05	826.19
Advertising and publicity	829.92	711.52
Directors' fees, allowances and expenses	47.72	30.70
Payment to auditors (Refer note (i) below)	26.05	23.24
Insurance	322.91	301.47
Communication expenses	419.95	405.17
Legal and professional charges	481.46	332.83
Corporate social responsibility expenses	415.06	413.00
Other expenditure	555.01	512.92
IT support	391.29	366.53
Software Costs	220.24	-
Security charges	64.57	61.45
Total	6,222.07	5,152.95

Note (i) Payment to auditors

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
As auditors:		
Statutory audit fee	9.85	9.11
Limited reviews	11.54	10.17
Other statutory attest services	1.32	0.91
Reimbursement of expenses	3.34	3.05
Total	26.05	23.24

Note (ii) Details of CSR expenditure

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
a) Gross amount required to be spent by the group during the year	472.16	413.16

	In cash	Yet to be paid in cash	Total
b) Amount spent during the year ended on March 31, 2024			
i) Construction/acquisition of assets	-	-	-
ii) On purpose other than (i) above	472.16	(0.00)	472.16



Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

	In cash	Yet to be paid in cash	Total
c) Amount spent during the year ended on 31st March, 2023			
i) Construction/acquisition of assets	-	-	-
ii) On purpose other than (i) above	395.96	17.20	413.16

	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
d) CSR amount Unspent for the financial year		
Amount Transfer to Unspent CSR amount	-	-
FY 2020-21	-	-
FY 2021-22	-	76.55
FY 2022-23	-	17.20
FY 2023-24	-	-
Total	-	93.75

Reason for shortfall in CSR expenditure: The amount remains unspent is pertaining to the ongoing projects and the same have been transferred to CSR unspent account. There were procedural delays in getting permission from statutory authorities to complete the projects which lead to extend the projects more than one year. The amount so transferred will be spend with in a period of 3 years.

Nature of CSR expenditure: CSR projects of the Group are focused on

- i) Promotion of quality education
- ii) Promotion of healthcare/preventive healthcare
- iii) Rural development projects measures for reducing inequalities faced by socially and economically backward group
- iv) Eradicating hunger, poverty and malnutrition
- v) Women empowerment
- vi) Environment sustainability etc.

which includes both ongoing and one year projects.

Details of related party transactions with respect to CSR expenditure are showed under note 47.

Note 38: Income Tax

The Group has computed the tax expense of the current financial year and previous year as per the tax regime announced under section 115BAA of the income Tax Act, 1961. Accordingly, the provision for current and deferred tax has been determined at the rate of 25.17%.

The components of income tax expense for the period ended 31 March 2024 and 31 March 2023 are:

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Current tax	8,008.10	5,226.89
Adjustment in respect of current income tax of prior years	4.37	23.90
Deferred tax relating to origination and reversal of temporary differences	(392.24)	157.99
Total tax charge	7,620.23	5,408.78
Current tax	8,008.10	5,226.89
Deferred tax	(392.24)	157.99

Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Reconciliation of Income tax expense:

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Current tax as per statement of profit and loss	8,008.10	5,226.89
Profit before tax	29,595.17	20,410.50
Current tax as per books (Effective rate of Tax)	7,635.92	5,411.30
- Adjustment of prior year tax and MAT credit	-	-
- Income exempt from tax	-	-
- Non deductible tax expenses (donations, corporate social responsibility, interest late payments and penalty)	54.54	(26.35)
- Income tax at different rates	29.14	35.37
- Effect of deferred tax remeasurement	(103.74)	(35.45)
- Effect of change in previous year tax	17.26	-
- Current tax relating to earlier years	(12.89)	23.90
Current tax as per statement of profit and loss	7,620.23	5,408.77
All India Statutory income tax rate of 25.17% (2023 - 25.17%)	7,445.16	6,098.27

Deferred tax

The following table shows deferred tax recorded in the balance sheet and changes recorded in the income tax expense:

Particulars	Deferred tax assets	Deferred tax liabilities	Income statement gain / (charge)	OCI gain / (charge)	Others - Adjusted in Statement of Profit and Loss in other equity
	31 March 2024	31 March 2024	2023-24	2023-24	2023-24
Provisions for litigations and compensated absences	93.08	-	4.18	-	-
Property, plant and equipment and Right of use asset (Net of lease liabilities)	317.40	-	79.55	-	-
'Right of use asset (Net of lease liabilities)	1,401.80	(1,081.85)	55.58	-	-
Impairment allowance for financial assets	1,162.06	-	189.31	-	-
Remeasurement gain / (loss) on defined benefit plan	204.90	-	84.31	9.50	-
Derivative instruments in cash flow hedge relationship	31.54	-	-	28.88	-
Debt instrument measured at amortised cost	-	(152.07)	7.25	-	-
Financial assets measured at amortised cost	151.52	(161.79)	(41.50)	-	-
Other temporary differences	65.00	(35.11)	(15.73)	-	-
Provision for fraud insurance claim receivable	49.12	-	20.88	-	-
Borrowings	24.33	-	15.79	-	-
Effective interest rate on PTC loans	-	(158.88)	(30.13)	-	-
Cash flow hedge reserve	-	(6.14)	-	10.36	-
Unamortised processing fess	(1.49)	-	(6.75)	-	-
Present value discounting of security deposit and documentation fee	104.34	-	29.48	-	-
Effect of Restatement of Financial statement	-	-	-	-	-
Equity Investment held as FVOCI	-	(0.01)	-	0.00	-
Investment held as FVOCI	6.81	-	-	(6.09)	-
ESOP Contribution	0.43	-	0.02	-	-
Total	3,610.84	(1,595.86)	392.24	42.65	-
Net deferred tax asset as at 31 March 2024	2,014.98				



Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Particulars	Deferred tax assets	Deferred tax liabilities	Income statement gain / (charge)	OCI gain / (charge)	Others - Adjusted in Statement of Profit and Loss in other equity
	31 March 2023	31 March 2023	2022-23	2022-23	2022-23
Provisions for litigations and compensated absences	88.90	-	15.11	-	-
Property, plant and equipment and Right of use asset (Net of lease liabilities)	237.47	-	(78.47)	-	-
Right of use asset (Net of lease liabilities)	1,479.25	(1,213.12)	73.37	-	-
Impairment allowance for financial assets	893.06	-	(218.07)	0.92	-
Remeasurement gain / (loss) on defined benefit plan	111.67	-	(2.00)	0.29	-
Derivative instruments in cash flow hedge relationship	2.67	-	0.29	(83.04)	-
Debt instrument measured at amortised cost	-	(159.33)	(60.00)	-	-
Financial assets measured at amortised cost	105.62	(74.38)	27.07	-	-
Other temporary differences	89.58	(20.98)	24.36	-	-
Provision for fraud insurance claim receivable	28.24	-	10.31	-	-
Borrowings	8.54	-	0.64	-	-
Effective interest rate on PTC loans	-	(128.74)	57.90	-	-
Cash flow hedge reserve	-	(14.46)	-	(7.55)	-
Unamortised processing fess	5.26	-	(2.51)	-	-
Present value discounting of security deposit and documentation fee	74.86	-	17.80	-	-
Effect of Restatement of Financial statement			(23.01)		
Total	3,125.12	(1,611.01)	(157.19)	-89.38	0.00
Net deferred tax asset as at 31 March 2023	1,514.11				

Note 39: Earnings per share

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Net profit for calculation of basic earnings per share	21,974.94	15,001.72
Weighted average number of equity shares in calculating basic earnings per share (Nos.)	846,417,680	846,394,729
Effect of dilution:		
Stock options granted under ESOP (Nos.)	-	7,546
Weighted average number of equity shares in calculating diluted earnings per share (Nos.)	846,417,680	846,402,275
Basic earnings per share (₹)	25.96	17.72
Diluted earnings per share (₹)	25.96	17.72
Face value per share	₹ 2/-	₹ 2/-

Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 40: Investment in subsidiaries

The consolidated financial statements include the financial statements of Group and its subsidiaries. Group does not have any joint ventures or associates. Manappuram Finance Limited is the ultimate parent of the Group.

Significant subsidiaries of Group are:

Name of subsidiary	Country of incorporation	% equity interest	% equity interest
		31 March 2024	31 March 2023
Manappuram Home Finance Limited	India	100.00%	100.00%
Manappuram Insurance Brokers Limited	India	100.00%	100.00%
Asirvad Micro Finance Limited	India	97.60%	97.60%
Manappuram Comptech and Consultants Limited	India	99.81%	99.81%

Asirvad Micro Finance Limited is the only significant subsidiary of Group that has a material non-controlling interest (31 March 2024: 2.40%, 31 March 2023: 2.40%). The following table summarises key information relevant to Asirvad Micro Finance Limited:

Particulars	31 st March, 2024	31 st March, 2023
Loans to customers and staff	102,968.78	86,690.97
Other assets	22,136.01	15,224.85
Trade payables	212.15	178.68
Other liabilities	103,401.64	86,297.08
Net assets	21,490.99	15,440.06
Accumulated non-controlling interests of the subsidiary	515.78	370.56
Net interest margin	15,666.74	9,153.90
Profit after tax	4,583.04	2,234.29
Profit allocated to non-controlling interest	109.99	53.62
Dividends paid to non-controlling interests	-	-

Note 41: Employee Stock Option Scheme (ESOS)

Employee Stock Option Scheme (ESOS), 2016

The details of the Employee Stock Option Scheme 2016 are as under:

Date of share holders' approval	05 July 2016								
Number of options approved	25,236,214								
Date of grant	08 August 2016								
Method of Accounting	The Holding Company has used the fair value method to account for the compensation cost of stock options to employees. The fair value of options used are estimated on the date of grant using the Black Scholes Model. The key assumptions used in Black Scholes Model for calculating fair value as on the date of grant are:								
	<table border="1"> <thead> <tr> <th>(Rf) Interest Rate</th> <th>Expected Life</th> <th>Dividend Yield</th> <th>Expected Volatility</th> </tr> </thead> <tbody> <tr> <td>7.03% to 7.25%</td> <td>3 to 5 years</td> <td>2.95%</td> <td>49.68%-55.38%</td> </tr> </tbody> </table>	(Rf) Interest Rate	Expected Life	Dividend Yield	Expected Volatility	7.03% to 7.25%	3 to 5 years	2.95%	49.68%-55.38%
(Rf) Interest Rate	Expected Life	Dividend Yield	Expected Volatility						
7.03% to 7.25%	3 to 5 years	2.95%	49.68%-55.38%						
Date of In principle Approval	In principle approval of the BSE was obtained on 20 December 2016 and NSE on 28 December 2016.								
Number of options granted	13,750,466								
Method of settlement	Equity								



Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Graded Vesting	Graded vesting shall happen in a graded basis in three tranches over a period of three years. a) The first tranche of 30% shall be vested when a period of 12 months would expire from the Date of grant; b) The second tranche of 30% shall be vested when a period of 24 months would expire from the Date of grant; c) The third tranche of 40% shall be vested when a period of 36 months would expire from the Date of grant.
Exercisable period	The vested options shall be allowed for exercise on and from the date of vesting. The vested options need to be exercised within a period of one year and 30 days from the date of vesting of the respective tranche through the exercise window to apply for ESOS shares against options vested with the eligible employee in pursuance of the scheme. However, the eligible employee has a right to exercise the options vested in the first tranche and second tranche on or before the expiry of the exercise period of the third tranche, utilising the exercise window which shall be a period of 30 days from the close of each half of the year counted from the date of vesting during the exercise period.
Vesting conditions	Options shall vest essentially based on continuation of employment and apart from that the Board or Committee may prescribe achievement of any performance condition(s) for vesting.
Source of shares	Primary
Variation in terms of options	No Variations made to the term of Scheme

The Company has adopted ESOS 2016 as per SEBI (Share Based Employee Benefits) Regulation, 2014 and has recorded a compensation expense using the fair value method as set out in those regulations.

The Group has granted 137,50,466 options at an exercise price of 86.45 on 08 August 2016 which will vest over a period of three years from the grant date (08 August 2016) and the vesting of options shall be at 30% each in the first and second year and the balance 40% in the third year from the date of grant.

The summary of the movements in options is given below:

Particulars	31 st March, 2024	31 st March, 2023
Options outstanding, beginning of year	40,000.00	40,000.00
Options granted during the year	-	-
Lapsed options restored during the year	-	-
Options lapsed during the year	-	-
Options exercised during the year	(40,000.00)	-
Options unvested and outstanding at the end of the year	-	40,000.00

Particulars	31 st March, 2024	31 st March, 2023
Weighted average remaining contract life of options	-	-
Weighted average market price at the exercise date	-	-

Particulars	Vesting I	Vesting II	Vesting III
	8 th August, 2017 30%	8 th August, 2018 30%	8 th August, 2019 40%
Fair value per vest (₹)	26.11	30.61	34.29
Risk-free interest rate (%)	7.03	7.15	7.25
Expected life	3 years	4 years	5 years
Expected volatility (%)	49.68	52.66	55.38
Expected dividend yield (%)	2.95	2.95	2.95
Share price on the date of grant (face value of ₹ 10/-)	86.45	86.45	86.45

Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

The expected volatility of the stock has been determined based on historical volatility of the stock. The period over which volatility has been considered is the expected life of the option.

Asirvad Micro Finance Limited

Employee Stock Option Scheme (ESOS), 2019

The details of the Employee Stock Option Scheme 2019 are as under:

Date of share holders' approval	February 2, 2019
Number of options approved	8,30,000
Date of grant	July 1, 2019
Number of options granted	8,30,000
Method of settlement	Equity
Graded Vesting	30% after two years from the date of grant i.e. July 1, 2021 and 35% after three years from the date of grant i.e. July 1, 2022 and the balance 35% after four year from the date of grant i.e. July 1, 2023
Exercisable period	1 year from graded vesting date
Vesting conditions	Continuous employment /service as on relevant date of vesting and pre-determined performance parameters, if any

The Company has adopted the Employee Stock Option Scheme framed in accordance with the Section 62(1)(c) of the Companies Act 2013 read with Rules 12 of the Companies (Share Capital and Debenture) Rules, 2014 made thereunder.

The Company has granted 830,000 options at an exercise price of ₹ 364/- on July 1, 2019 which will vest over a period of four years from the grant date (30% after two years from the date of grant i.e. July 1, 2021 and 35% after three years from the date of grant i.e. July 1, 2022 and the balance 35% after four years from the date of grant i.e. July 1, 2023. The exercise period commences from the date of vesting and will expire not later than one year from the date of vesting.

(b) The summary of the movements in options is given below:

Particulars	31 March 2024	31 March 2023
Options outstanding, beginning of year	64,750	242,500
Options granted during the year	-	-
Increase on account of Bonus issue	-	-
Lapsed options restored during the year	-	-
Options lapsed during the year period ended	18,375	125,250
Options lapsed during the year due to end of exercise period for tranche	28,875	52,500
Options Expired during the year	-	-
Options exercised during the year	-	0
Options vested and Outstanding at the End of the Year	17,500	64,750
Options outstanding at the year end comprise of :		
- Options eligible for exercise at year end	17,500	32,375
- Options not eligible for exercise at year end	-	32,375
	17,500	64,750

(c) Pro-forma Disclosures for ESOS :

In accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, the compensation cost for ESOS 2019 was required to be recognised based on the fair value on the date of grant i.e. in FY 2019-20. The Company has rectified the prior period error by giving retrospective effect of ESOP expenses and tax impact in the opening reserves of FY 2022-23, thereby providing reliable and more relevant information about the Company's financial position. The impact of such change is as follows:



Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Particulars	increase / (decrease)
	As at and for the year ended March 31, 2022
ESOP expense	143.96
Deferred Tax	36.24
Earnings per share (in ₹) (Face value of ₹10 per equity share)	
- Basic	(0.07)
- Diluted	(0.07)

Expenses recognised in the Profit and loss accounts for the year ended March 31, 2024, is ₹ 0.64 in Lakhs (for the year ended March 31, 2023 ₹ (21.02) in Lakhs)

Tax impact for year March 31, 2024 is ₹ (0.16) in Lakhs (for the year ended March 31, 2023 ₹ 5.29 in Lakhs).

(d) The fair value of options estimated at the date of grant using the Black-Scholes method and the assumptions used are as under:

Grant Date	1 July 2019
Option Price Model	Black Scholes Method
Exercise Price	364.00
Share Price on Grant Date	239.37
Expected Volatility	0.50
Expected time to exercise shares	1 Year after Vesting i.e. last possible exercise date
Risk-free rate of return	6.61% - 7.00%
Dividend Yield	-
Fair Value of ESOP at Grant Date	63.24 - 96.7
Weighted Average Fair Value of ESOP at Grant Date	81.18
Method used to determine expected volatility	The expected volatility is based on price volatility of similar NBFC Listed company.

Note 42: Retirement Benefit Plan

Defined Contribution Plan

The Group makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group recognized ₹ 977.25 Mn (31 March 2023: ₹ 963.09 Mn) for Provident Fund contributions and ₹ 211.35 Mn (31 March 2023: ₹ 221.04 Mn) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

Defined Benefit Plan

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India and Kotak Life Insurance.

Update on the Code on Social Security, 2020 ('Code')

The Code on Social Security, 2020 (the "Code") has been enacted. The date of coming into force of the various provisions of the Code is to be notified and the rules thereunder are yet to be announced. The potential impact of the change will be estimated and accounted in the period of notification.

The following tables summaries the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan.

Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Net employee benefit expense recognised in the statement of profit and loss

Components of employer expense	31 March 2024	31 March 2023
Current service cost	276.78	300.83
Interest cost on benefit obligation	2.30	2.19
Past service cost	-	13.60
Net interest on net defined benefit liability/ (asset)	12.82	7.02
Actuarial (Gain) / Loss	(1.29)	(3.20)
Benefits paid	(2.65)	(0.87)
Total employer expense recognised in statement of profit and loss	287.96	319.57

Net employee benefit expense recognised in the Other Comprehensive Income

Movement in Other Comprehensive Income (OCI)	31 March 2024	31 March 2023
Balance at start of year (loss)/gain	(154.42)	(168.95)
Actuarial (loss)/gain from changes in financial assumptions	17.84	32.04
Actuarial (loss)/gain from experience over the past year	3.19	(54.35)
Return on plan assets, excluding amount included in net interest on the net defined benefit liability/(asset)	(22.70)	(38.63)
Actuarial (loss) / gain from changes in demographic assumptions	-	34.91
Adjustments	-	40.55
Balance at end of year (loss)/gain	(156.09)	(154.42)

Experience adjustments

Particulars	31 March 2024	31 March 2023
Defined benefit obligation	1,704.44	1,543.69
Fair value of plan assets	1,465.18	1,316.24
Asset/(liability) recognized in the balance sheet	(204.02)	(210.55)
Experience adjustments on plan liabilities (gain) / loss	(33.72)	8.73
Experience adjustments on plan assets gain / (loss)	(12.67)	43.73

Changes in the present value of the defined benefit obligation are as follows:

Particulars	31 March 2024	31 March 2023
Opening defined benefit obligation	1,568.91	1,328.32
Transfer in/out	(6.54)	(8.90)
Interest cost	109.62	82.30
Current service cost	271.10	296.11
Benefits paid	(247.42)	(190.16)
Past service cost	-	12.07
Actuarial (Loss)/ Gain from changes in demographic assumptions	-	(60.12)
Actuarial loss / (gain) from changes in financial assumptions	11.49	2.56
Actuarial loss / (gain) from experience over the past year	22.51	132.14
Adjustments	(25.20)	(25.41)
Closing defined benefit obligation	1,704.46	1,568.91



Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Changes in the fair value of plan assets are as follows:

Particulars	31 March 2024	31 March 2023
Opening fair value of plan assets	1,339.70	1,114.10
Transfer in/out	(6.59)	(8.90)
Expected return	93.91	73.27
Contributions by employer	321.11	287.84
Benefits paid	(249.77)	(191.03)
Actuarial gains / (losses)	(9.37)	46.10
Interest income on Plan Assets	4.19	2.77
Return on plan assets excluding amount included in net interest on the net defined benefit liability/ (asset)	(0.13)	0.47
On acquisition of Subsidiary		
Adjustments		15.08
Closing fair value of plan assets	1,493.05	1,339.70
Expected contribution to fund to be made in the next year	250.00	160.00

The principal assumptions used in determining gratuity obligations for the Group's plans are shown below:

A) Holding Company

Manappuram Finance Limited

Particulars	31 March 2024	31 March 2023
Discount rate	7.00%	7.10%
Salary growth rate	9.00%	9.00%
Attrition rate	20.00%	20.00%
Expected rate of return on assets	7.10%	6.30%

B) Subsidiary Companies

(i) Asirvad Micro Finance Limited

Particulars	31 March 2024	31 March 2023
Discount rate	6.90%	7.10%
Expected rate of salary increase	10.00%	10.00%
Withdrawal Rate		
(i) below 35 years	35.00%	35.00%
(ii) above 35 years	20.00%	20.00%
Mortality Rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate

(ii) Manappuram Home Finance Limited

Particulars	31 March 2024	31 March 2023
Salary Escalation	8.00%	8.00%
Discount rate	6.90%	7.10%
Attrition rate		
- Managerial grade and above	15.00%	15.00%
- Below managerial grade	50.00%	50.00%
Mortality Rate	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)
Expected rate of return on assets	7.10%	5.40%

Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

(iii) Manappuram Insurance Brokers Limited

Particulars	31 March 2024	31 March 2023
Discount rate	7.00%	7.10%
Salary increase rate	8.00%	8.00%
Mortality Rate	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)
Expected Return on Plan Assets	7.10%	5.80%
Withdrawal (rate of employee turnover)	20.00%	20.00%

(iv) Manappuram Comptech and Consultants Limited

Particulars	31 March 2024	31 March 2023
Discount rate	7.00%	7.50%
Salary growth rate	6.00%	6.00%
Attrition rate	5.00%	2.00%

Percentage Break-down of Total Plan Assets

A) Holding Company

Manappuram Finance Limited

Particulars	31 March 2024	31 March 2023
Real estate	0.00%	0.00%
Derivatives	0.00%	0.00%
Investment Funds with Insurance Company	99.66%	99.61%
Of which, Unit Linked	0.00%	21.98%
Of which, Traditional/ Non-Unit Linked	99.66%	77.63%
Asset-backed securities	0.00%	0.00%
Structured debt	0.00%	0.00%
Cash and cash equivalents	0.34%	0.39%
Total	100%	100%

B) Subsidiary Companies

(i) Asirvad Micro Finance Limited

Particulars	31 March 2024	31 March 2023
Investment Funds with insurance company	100%	100%
Total	100%	100%

(ii) Manappuram Home Finance Limited

Particulars	31 March 2024	31 March 2023
Investment Funds with insurance company	95%	96%
Of which, unit linked	0%	0%
Of which, traditional/ non-unit linked	95%	96%
Total	95%	96%

(iii) Manappuram Insurance Brokers Limited

Particulars	31 March 2024	31 March 2023
Investment Funds with insurance company	100%	100%
Total	100%	100%



Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Sensitivity Analysis

A) Holding Company

Manappuram Finance Limited

Assumptions	31 March 2024		31 March 2023	
	Discount rate		Discount rate	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation [Increase/(Decrease)]	(67.21)	74.08	(61.13)	67.28

Assumptions	31 March 2024		31 March 2023	
	Salary growth Rate		Salary growth Rate	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation [Increase/(Decrease)]	71.95	(66.61)	65.42	(60.64)

Assumptions	31 March 2024		31 March 2023	
	Withdrawal Rate		Withdrawal Rate	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation [Increase/(Decrease)]	11.51	(12.33)	10.34	(11.06)

B) Subsidiary Companies

(i) Asirvad Micro Finance Limited

Assumptions	31 March 2024		31 March 2023	
	Discount rate		Discount rate	
Sensitivity Level	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Impact on defined benefit obligation	(5.77)	6.23	(5.13)	5.55

Assumptions	31 March 2024		31 March 2023	
	Future salary increases		Future salary increases	
Sensitivity Level	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Impact on defined benefit obligation	5.99	(5.66)	5.34	(5.05)

Assumptions	31 March 2024		31 March 2023	
	Withdrawal rate		Withdrawal rate	
Sensitivity Level	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Impact on defined benefit obligation	(1.80)	1.90	(1.48)	1.56

(ii) Manappuram Home Finance Limited

Assumptions	31 March 2024		31 March 2023	
	Discount rate		Discount rate	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(1.61)	1.72	(1.13)	1.23

Assumptions	31 March 2024		31 March 2023	
	Future salary increases		Future salary increases	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	1.69	(1.61)	1.21	(1.13)

Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Assumptions	31 March 2024		31 March 2023	
	Withdrawal rate		Withdrawal rate	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(0.25)	0.26	(0.17)	0.18

(iii) Manappuram Insurance Brokers Limited

Assumptions	31 March 2024		31 March 2023	
	Discount rate		Discount rate	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(0.31)	0.34	(0.54)	0.59

Assumptions	31 March 2024		31 March 2023	
	Future salary increases		Future salary increases	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	0.33	(0.31)	0.58	(0.55)

Assumptions	31 March 2024		31 March 2023	
	Withdrawal rate		Withdrawal rate	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(0.03)	0.03	(0.05)	0.05

(iv) Manappuram Comptech and Consultants Limited

Assumptions	31 March 2024		31 March 2023	
	Discount rate		Discount rate	
Sensitivity Level	0.25% increase	0.25% decrease	0.25% increase	0.25% decrease
Impact on defined benefit obligation	(27.75)	29.45	(23.81)	25.76

Assumptions	31 March 2024		31 March 2023	
	Future salary increases		Future salary increases	
Sensitivity Level	2% increase	2% decrease	2% increase	2% decrease
Impact on defined benefit obligation	(36.36)	23.03	(31.61)	19.60

Assumptions	31 March 2024		31 March 2023	
	Withdrawal rate		Withdrawal rate	
Sensitivity Level	2% increase	2% decrease	2% increase	2% decrease
Impact on defined benefit obligation	(28.77)	28.20	(25.03)	24.47

The weighted average duration of the defined benefit obligation as at 31 March 2024 is 4 years (2023: 4 years)

The fund is administered by Life Insurance Corporation of India ("LIC") and Kotak Life Insurance. The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The principal assumptions used in determining leave encashment obligations for the Group's plans are shown below



Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

A) Holding Company

Manappuram Finance Limited

Particulars	31 st March, 2024 %	31 st March, 2023 %
Discount rate	7.00%	7.10%
Attrition rate	20.00%	20.00%
Salary escalation	9.00%	9.00%

B) Subsidiary Companies

(i) Asirvad Micro Finance Limited

Particulars	31 st March, 2024 %	31 st March, 2023 %
Discount rate	6.90%	7.10%
Salary escalation	10%	10%
Attrition Rate		
(i) below 35 years	35%	35%
(ii) above 35 years	20%	20%

(ii) Manappuram Home Finance Limited

Particulars	31 st March, 2024 %	31 st March, 2023 %
Discount rate	6.90%	7.10%
Salary escalation	8%	8%
Attrition rate		
- Managerial grade and above	15%	15%
- Below managerial grade	50%	50%

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 43: Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities of the products. With regard to loans and advances to customers, the Group uses the same basis of expected repayment behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations.

Particulars	31 March 2024			31 March 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	25,498.72	-	25,498.72	25,004.78	-	25,004.78
Bank balance other than above	4,677.42	1,636.36	6,313.78	4,825.13	521.05	5,346.18
Derivative financial instruments	25.45	-	25.45	244.40	-	244.40
Trade receivables	-	-	-	-	-	-
Loans	330,353.53	79,122.14	409,475.67	282,505.50	59,439.55	341,945.05
Investments	-	7,263.37	7,263.37	0.19	5,339.94	5,340.13
Other financial assets	4,045.70	349.32	4,395.02	3,020.28	253.49	3,273.77
Non-financial Assets						
Current tax asset	-	745.08	745.08	-	354.73	354.73
Deferred tax assets (net)	-	2,014.98	2,014.98	-	1,514.09	1,514.09
Investment property	-	0.86	0.86	-	0.86	0.86
Property, plant and equipment	-	4,402.23	4,402.23	-	4,317.94	4,317.94
Capital work-in-progress	-	333.46	333.46	-	160.11	160.11
Intangible assets under development	-	0.14	0.14	-	6.67	6.67
Right of use asset	-	5,584.71	5,584.71	-	5,965.38	5,965.38
Goodwill	-	355.65	355.65	-	355.65	355.65
Other intangible assets	-	355.35	355.35	-	297.35	297.35
Other non financial assets	613.56	101.00	714.56	611.10	303.14	914.24
Total assets	365,214.38	102,264.65	467,479.03	316,211.38	78,829.95	395,041.33
Liabilities						
Financial Liabilities						
Derivative financial liabilities	-	-	-	-	-	-
Trade Payables	1,218.78	-	1,218.78	1,060.86	-	1,060.86
Debt Securities	24,214.95	27,585.09	51,800.04	28,586.00	34,055.86	62,641.86
Borrowings (other than debt security)	180,347.99	99,521.32	279,869.31	129,746.67	88,499.83	218,246.50
Deposits	0.70	-	0.70	0.91	-	0.91
Subordinated Liabilities	4,864.63	-	4,864.63	3,940.11	-	3,940.11
Lease Liability	809.65	5,854.53	6,664.18	1,211.21	5,626.10	6,837.31
Other Financial liabilities	2,317.21	2,097.76	4,414.97	1,685.83	1,617.50	3,303.33
Non-financial Liabilities						
Current tax liabilities (net)						
Provisions	696.98	27.80	724.78	722.60	9.38	731.98
Other non-financial liabilities	2,151.84	-	2,151.84	1,626.21	-	1,626.21
Total Liabilities	216,622.73	135,086.50	351,709.23	168,580.40	129,808.67	298,389.07
Net	148,591.66	(32,821.85)	115,769.80	147,630.98	(50,978.72)	96,652.26



Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 44: Change in liabilities arising from financing activities

Particulars	As at 31 March 2023	Cash Flows	Ind AS Adjustments	As at 31 March 2024
Debt securities	62,641.86	(10,221.75)	(620.07)	51,800.04
Borrowings other than debt securities	218,246.50	62,036.12	(413.31)	279,869.31
Subordinated liabilities	3,940.11	924.52	-	4,864.63
Total liabilities from financing activities	284,828.47	52,738.89	(1,033.38)	336,533.98

Particulars	As at 31 March 2022	Cash Flows	Ind AS Adjustments	As at 31 March 2023
Debt securities	93,218.28	(30,022.85)	(553.57)	62,641.86
Borrowings other than debt securities	144,767.74	73,585.19	(106.43)	218,246.50
Subordinated liabilities	3,198.04	742.07	-	3,940.11
Total liabilities from financing activities	241,184.06	44,304.41	(660.00)	284,828.47

Note 45: Contingent liabilities, commitments and leasing arrangements

(A) Contingent Liabilities

(a) Applicability of Kerala Money Lenders' Act

The Holding Company has challenged in the Hon'ble Supreme Court the order of Hon'ble Kerala High Court upholding the applicability of Kerala Money Lenders Act to NBFCs. The Hon'ble Supreme Court has directed that a status quo on the matter shall be maintained and the matter is currently pending with the Hon'ble Supreme Court. The Holding Company has taken legal opinion on the matter and based on such opinion the management is confident of a favorable outcome. Pending the resolution of the same, no adjustments have been made in the financial statements for the required license fee and Security deposits.

Particulars	As at 31 March 2024	As at 31 March 2023
i) Income tax demand under appeal before the Commissioner of Income Tax (Appeals) for the Assessment Year 2012-13 to 2022-23	380.75	1,015.63
ii) Income tax demand under regular assessment for the Assessment Year 2018-19	1.38	1.38
ii) Kerala Value Added Tax demands under appeal pending before the Deputy Commissioner for the Assessment Years 2009-10, 2010-11, 2011-12, 2012-13 and 2014-15 (Excluding Penalty and Interest, if any)	44.99	44.94
iv) An additional demand of ₹46.27 Cr has arisen because of taxing of MTM gain ₹145.75 Cr and Substandard Asset Provision ₹35.09 Cr in AY 2020-21. Out of ₹35.09 Cr- Sub standard provision, ₹34.68 Cr has been allowed as a deduction in the subsequent AY 2021-22	462.70	462.70
v) The probable tax demand on profit relating to the sale of SBI mutual Funds. Income involved being ₹ 10.66 Crs (50.65 Crs less 40 Crs). FY 2015-16 and AY 2016-17	36.90	36.90
vi) AC of Income tax reopened the assessment of AY 2017-18 and taxed unrecognized interest income of ₹ 14.30 Cr on NPA accounts. As per order dated Dec 27, 2023, there is a demand of ₹ 5.05 Cr.	50.50	-
vii) ACIT passed an Order dated 13-03-2024, disallowing baddebt written off being ₹ 28,90,891.	0.78	-
viii) Assistant Commissioner in his Order dated 12-02-2024 added the expenditure under Section 14A ₹79118500/- and Section 80G on donations paid ₹208,02,910 to its total income.	57.82	-
ix) GST	33.14	-
Total	1,068.96	1,561.55

Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

- b) The Supreme court of India vide judgement dated February 28, 2019, has issued clarification on the definition of “basic wage” considered for the contribution for Provident Fund which provides for the inclusion of special allowances. The said judgement is retrospective in nature. However, since all employer bodies have pleaded with EPFO and Ministry and the actual liability to be provided is unascertainable, no liabilities in the books of accounts has been created for PF contribution of employees contracted through security agencies for which the company qualifies as the principal employer.

Asirvad Micro Finance Limited has sought legal opinion on its retrospective applicability from September 2014 regarding company’s obligation to pay PF contribution on Special Allowance and whether there is a requirement of provision to be created in books of accounts. Legal counsel has given an opinion stating that:

- (i) Since no legal proceedings are pending against the company seeking contribution on allowances as on date and
- (ii) The department has issued various circulars in the past stating that PF contribution need not be considered on allowances

Considering the above, the legal counsel has opined that provision need not be created in books of accounts and Supreme Court judgement should be complied with prospectively from 28 February 2019.

- c) The Holding Company has some labour cases pending against it in various courts and with labour Commissioners of various States. The Group’s liability for these cases are not disclosed since actual liability to be provided is unascertainable.

Income Tax (A.Y. 2015-16)

During the FY 2017-18, the Asirvad Micro Finance Limited has received an Assessment order under Section 143(3) for the AY 2015-16 with a demand of ₹ 1,124.50 Lakhs by taxing the receipt of share premium amount received by the Company as unexplained cash credits, expense claimed towards employee stock option scheme and disallowance of depreciation under Section 32 of the Income Tax Act, 1961.

The Company has filed appeals against the above with the Commissioner of Income Tax - Appeals. Based on professional advice, the company strongly believe that case will be decided in their favour and hence no provision has been considered. However In the FY 2017-18 the Company has paid an amount of ₹ 224.90 Lakhs being 20% of the total demand and the same has been disclosed as part of Deposit under protest.

Considering the fact that, the ground of order received for AY 2015-16 is similar to order received for AY 2011-12 and AY 2014-15 for which the Company has received favourable order from CIT(A), the Company expects a favourable order to received for AY 2015-16 also. Further, outflows, if any, arising out of these claims would depend on the outcome of the decision of the appellate authorities and the Company’s rights for future appeals.

Income Tax (A.Y. 2016-17)

During the FY 2018-19, the Asirvad Micro Finance Limited has received an Assessment order under Section 143(3) for the AY 2016-17 with a demand of ₹ 1,978.91 Lakhs by taxing the receipt of share premium amount received by the Company as unexplained cash credits under Section 56(2)(viib) of the Income Tax Act, 1961.

The Company has filed appeals against the above with the Commissioner of Income Tax - Appeals. Based on professional advice, the company strongly believe that case will be decided in their favour and hence no provision has been considered. However In the FY 2017-18 the Company has paid an amount of ₹ 395.78 Lakhs being 20% of the total demand and the same has been disclosed as part of Deposit under protest

Considering the fact that, the ground of order received for AY 2016-17 is similar to order received for AY 2011-12 and AY 2014-15 for which the Company has received favourable order from CIT(A), the Company expects a favourable order to received for AY 2015-16 also. Further, outflows, if any, arising out of these claims would depend on the outcome of the decision of the appellate authorities and the Company’s rights for future appeals.



Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Income Tax (A.Y. 2017-18)

The accounting for securitisation transaction is governed by guidelines issued by the Reserve Bank of India vide its Master Direction on Non-Banking Financial Company – Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016. Accordingly company has recorded securitization and assignment transactions during the year. At the time of regular assessment, Assessing Officer disallowed finance cost on above securitization and assignment transactions and added the same to our total income on the ground that company had made true sale of the securitized assets by derecognizing the assets from its financials and therefore there cannot be any loan or associated financial cost and raised demand of ₹ 1,424.27 Lakhs in this regard. Company had received advice from tax counsel to contest the above demand as the company's accounting of transactions is in line with RBI's extant guidelines. In another case relating to disallowance of Demonetized currencies deposited to bank account subsequent to 8th November 2016 and Assessing officer added the same under Income from Other Sources as unexplained money u/s 69A of Income Tax Act on the ground that it is in contravention of SBN Cessation of Liabilities Act 2018 and SC judgement in earlier cases regarding the source of cash and had raised demand of ₹ 97.09 Lakhs in this regard. Company has created a provision to the tune of ₹172.57 lakhs for the same.

Income Tax (A.Y. 2020-21)

During the FY 2022-23, the Asirvad Micro Finance Limited has received an Assessment order under Section 143(3) for the AY 2020-21 with demand of ₹ 2,134.39 Lakhs by disallowing expenses and ICDS adjustment aggregating to the tune of ₹ 8,511.87 Lakhs under section 41, 43B, 36(1)(va) and 36(1)(vii) w.r.t Gratuity, leave encashment, bonus, delay in remittance of employee contribution to PF, ESI and ICDS Adjustments.

The Company has filed appeal against the demand with the Commissioner of Income Tax - Appeals. Based on the professional advice, the company strongly believe that majority of the disallowance will be decided in their favour and hence no provision has been considered except in case of bonus and ICDS Adjustments for which provision of ₹ 180.90 Lakhs is considered in the books of accounts.

Income Tax (A.Y. 2021-22)

During the FY 2022-23, the Asirvad Micro Finance Ltd. has received an Assessment order under Section 143(1) for the AY 2021-22 with demand of ₹ 557.35 Lakhs by disallowing expenses and recovery of bad and doubtful debts aggregating to the tune of ₹ 1,560.61 Lakhs under section 43B, 36(1)(va) and 41 w.r.t Gratuity, leave encashment, bonus, delay in remittance of employee contribution to PF, ESI and recovery of bad and doubtful debts etc.

Vide order dated 27.12.2023, the CIT-Appeals has disposed the appeal. However, in the said order, CIT Appeals has only disposed the matters relating to payment u/s 43B (bonus, leave encashment, gratuity) and delayed payment of PF/ESI. The matter relating to addition u/s 41 has not been disposed off in the order. The Company has filed appeal against the above with the Commissioner of Income Tax - Appeals. Based on professional advice, the company strongly believe that majority of the disallowance and deemed income will be decided in their favour and hence no provision has been considered except for disallowance w.r.t bonus and gratuity u/s 43B for which provision amounting ₹ 55.98 Lakhs is considered in the books of accounts.

Income Tax (A.Y. 2022-23)

During the year, Manappuram Comptech and Consultants Limited has received a demand notice under section 156 of the Income-Tax Act, 1961 amounting to ₹44,83,340 pertaining to the assessment year 2022-23 on account of certain disallowances. certain expenses. The Company has filed an appeal with the Commissioner of Income-Tax against such order. The management believes that its position is likely to be upheld in the appellate process and therefore will not impact these financial statements. Consequently, no provision has been created in the financial statements for the above.

(B) Commitments

- (i) The Group has estimated amount of contracts remaining to be executed on capital account, net of advances as on 31 March 2024 is ₹ 344.54 Mn (31 March 2023: ₹98.57 Mn).
- (ii) The Group has ₹ 4959.65 Mn undisbursed loans as at March 31, 2024 (as at March 31, 2023 ₹ 3171.56 Mn). This has been factored in for CRAR calculation.
- (iii) The Holding Company has entered into an agreement for outsourcing of Information Technology support in August 2020 for a period of 5 years with an total expense of ₹ 520 Mn.

Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

(C) Lease Disclosures

(a) Leases of branch premises

- (i) Ind AS 116 "Leases" is applied the standard to all lease contracts. The Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset measured at the amount of the initial measurement of the lease liability.
- (ii) The following is the summary of practical expedients elected on initial application:
1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date. Discount rate has been taken as the Incremental Borrowing rate of borrowings with similar tenure.
 2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
 3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- (iii) The Group takes branch premises and computers on lease. Below are the changes made during the year in the carrying value of:

-Right-of-use assets

Particulars	As at 31 March 2024	As at 31 March 2023
Opening balance	5,965.39	6,371.42
Recognition of deferred lease rentals	-	-
Additions	933.76	816.33
Deletion	-	(6.06)
Depreciation	(1,314.44)	(1,216.30)
Closing balance	5,584.71	5,965.39

-Lease liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Opening balance	6,837.31	6,979.88
Additions	911.58	542.83
Deletion	(1,400.83)	(4.74)
Payment of Lease liabilities	161.16	(1,369.28)
Finance cost accrued during the period	154.97	688.62
Closing balance	6,664.18	6,837.31

-Amounts recognised in profit and loss

Particulars	As at 31 March 2024	As at 31 March 2023
Depreciation expense on right-of-use assets	1,314.44	1,216.31
Interest expense on lease liabilities	676.41	688.62



Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Maturity analysis of Lease Liability

Particulars	As at 31 March 2024	As at 31 March 2023
Not later than one year	809.65	1,211.22
Later than one year but not later than four years	486.26	1,598.29
Later than four years	5,368.27	4,027.81
Closing	6,664.18	6,837.32

The entity does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the entity's treasury function.*Lease Period considered upto 31.12.2029

Finance leases:

The Holding Company has finance leases for Computers. These leases are non-cancellable and has no escalation clause. Future minimum lease payments (MLP) under finance leases together with the present value of the net MLP are as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
Total minimum lease payments at the year end	-	-
Less: amount representing finance charges	-	-
Present value of minimum lease payments	-	-
Lease payments for the year	-	-
Minimum lease Payments:	-	-
Less than one year [Present value as on 31 March 2024: ₹Nil, Present value as on 31 March 2023: ₹NIL]	-	-
Later than one year but not later than five years [Present value on March 31, 2024: ₹ Nil, as on March 31, 2023: ₹Nil]	-	-

Note 46: Statement of net assets, profit and loss and other comprehensive income attributable to owners and non-controlling interest

Name of the entity in the Group	Net Assets, i.e. total assets minus total liabilities		Share in profit and loss		Share in Other comprehensive income		Share in Total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of Total comprehensive income	Amount
Parent Company:								
Manappuram Finance Limited	89.36%	103,447.15	74.76%	16,427.76	75.24%	(95.90)	74.75%	16,331.86
Subsidiaries :								
Manappuram Home Finance Limited	0.46%	535.49	0.91%	199.02	2.39%	(3.05)	0.90%	195.97
Manappuram Insurance Brokers Limited	0.51%	594.09	3.33%	732.33	0.56%	(0.71)	3.35%	731.62
Asirvad Micro Finance Limited	9.26%	10,723.24	20.21%	4,442.00	24.03%	(30.63)	20.18%	4,411.37
Manappuram Comptech and Consultants Limited	0.16%	180.99	0.39%	85.71	-2.69%	3.43	0.41%	89.14
Non controlling interest in subsidiaries	0.25%	288.76	0.40%	88.13	0.47%	(0.59)	0.40%	87.54
Total	100.00%	115,769.72	100.00%	21,974.94	100.00%	(127.45)	100.00%	21,847.49

Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 47: Related Party Disclosures

Relationship	Name of the party
Associates / Enterprises owned or significantly influenced by key management personnel or their relatives.	Manappuram Jewellers Limited
	Manappuram Agro Farms Limited
	Manappuram Foundation
	Manappuram Health Care Limited
	Manappuram Construction and Consultants Limited
	Manappuram Chit Funds Company Private Limited *
	MABEN Nidhi Limited
	Manappuram Asset Finance Limited
	Manappuram Chits (Karnataka) Private Limited *
	Manappuram Chits India Limited
	Adlux Medicity and Convention Centre Private Limited*
	MAFIN Enterprise *
	Manappuram travels
	Manappuram Chits *
	DTA Advisory Pvt Ltd*
	DTB Advisory Pvt Ltd*
	DT3 Advisory Pvt Ltd*
	Finance Industry Development Council
	Kalyani Forge Limited*
	Tata Investment Corporation Limited*
	Pramerica Life Insurance Limited*
	HDFC Credila Financial Services Limited*
	Abans Global Ltd, UK*
	Mkundapuram Educational and Cultural Society*
	Orange Retail Finance India Private Limited*
	Manappuram Finance Employees Group Gratuity Fund Trust
	Earthables Projects LLP*
	Veritas Finance Private Limited*
	Rebar Design and Details Ltd*
	Saral Money Ltd*
	SNST Advisories Pvt Ltd*
	Association of UK Payment and Fintech Companies*
	Cashpor Micro Credit *
	Firstsource Solutions Limited*
	Fast Encash Money Transfer Services-Uk*
	Gateway Gardens (Block B) Management Ltd*
	InCred Financial Services Limited*
	Value Finance Corporation Limited*
	Value Finance Ltd*
	Cochin International Airport Limited*
IIM Calicut*	
Aptus Value Housing Finance India Limited*	
India Shelter Finance Corporation Limited*	
Morgan & Harvey Services Ltd*	



Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Relationship	Name of the party
	PCBL Limited*
	Kaizen Infotech Solutions Pvt Ltd*
	Myyshopp Ecommerce Technologies Pvt Ltd*
	Minda Instruments Limited*
	Minda Corporation Limited*
	GPS Renewables Private Limited*
	Aavali Solutions Private Limited*
	Subex Account Aggregator Services Private Limited*
	Benefitsklub Technologies Private Limited*
	Guru Deva International Mission*
	MACARE Dental Care Private Limited
	Lions International Multiple District 318 D*
	Federation of Indian Chambers of Commerce and Industry
Key Management Personnel	Mr. V P Nandakumar - Managing Director & CEO
	Mr. Shailesh J Mehta-Chairman
	Ms. Sumitha Nandan-Executive Director
	Ms. Pratima Ram-Director
	Ms. Bindu AL - Chief Financial Officer
	Mr. Manoj Kumar VR - Company Secretary
	Mr.P.Manomohanan-Director
	Adv.V.R.Ramachandran-Director
	Mr.Suseel Kumar T C- Director
	Mr. Sankaran Nair Rajagopal-Director
	Adv. Veliath Pappu Seemandini-Director
	Mr. Abhijit Sen-Director
	Mr. Harshan Kollara-Director
	Mr. E K Bharat Bhushan - Director
	Mr.S R Balasubramanian-Director
Relatives of Key Management Personnel	Ms. Sushama Nandakumar (wife of Mr. V P Nandakumar)*
	Mr. Sooraj Nandan (son of Mr. V P Nandakumar)*
	Mr. Suhas Nandan (son of Mr. V P Nandakumar)
	Mrs. Shelly Ekalavyan (sister of Mr. V P Nandakumar)*
	Ms. Jyothi Prasannan(sister of Mr.V.P.Nandakumar)*
	Mr. Jayasankar S (Daughter's Husband of Mr. V P Nandakumar)*
	Ms. Shruthi (Son's Wife of Mr. V P Nandakumar)*
	Ms. Niniraj (Son's Wife of Mr. V P Nandakumar)*
	Ms. Leena NS (Wife of Mr. V.R. Ramachandran)*
	Ms. Anju VR (Daughter of Mr. V.R. Ramachandran)*
	Mr. Rithwik V R (Son of Mr. V.R. Ramachandran)*
	Mr. Sethunath S R(Daughter's Husband of Mr. V.R. Ramachandran)*
	Ms. Indira (Sister of Mr. V.R. Ramachandran)*
	Mr. Sreedharan (Brother of Mr. V.R. Ramachandran)*
	Mr. Paranunni (Brother of Mr. V.R. Ramachandran)*
	Mr. Rishikeshan (Brother of Mr. V.R. Ramachandran)*

Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Relationship	Name of the party
	Ms. Subhadra Manomohan (Wife of Mr. P.Manomohan)*
	Mr. Sajith (Son of Mr. P.Manomohan)*
	Ms. Asha (Son's Wife of Mr. P.Manomohan)*
	Mr. Balachandran (Brother of Mr. P.Manomohan)*
	Mr. Suresh Kumar (Brother of Mr. P.Manomohan)*
	Mr. Ragunath (Brother of Mr. P.Manomohan)*
	Mr. Sreedharan (Brother of Mr. P.Manomohan)*
	Ms. Tamashree Sen (Wife of Mr. Abhijit Sen)*
	Ms. Arati sen (Mother of Mr. Abhijit Sen)*
	Mr. Rohan Sen (Son of Mr. Abhijit Sen)*
	Mr. Vivek Sen (Son of Mr. Abhijit Sen)*
	Ms. Snehal Naik (Son's Wife of Mr. Abhijit Sen)*
	Ms. Amanda Barbee (Son's Wife of Mr. Abhijit Sen)*
	Mr. Bishwajit Sen (Brother of Mr. Abhijit Sen)*
	Mr. Nandakumar Kollara (Son of Mr. Harshan Kollara)*
	Mr. Jaihari Kollara (Son of Mr. Harshan Kollara)*
	Ms. Elena T Kollara (Son's Wife of Mr. Harshan Kollara)*
	Dr.Sugathan Kollara (Brother of Mr. Harshan Kollara)*
	Mr. Sreenath Kollara (Brother of Mr. Harshan Kollara)*
	Ms. Sarala K S (Sister of Mr. Harshan Kollara)*
	Ms. Jayanthi K S (Sister of Mr. Harshan Kollara)*
	Ms. Sunitha K S (Sister of Mr. Harshan Kollara)*
	Ms. Kalpa (Wife of Mr. Shailesh J. Mehta)*
	Mr. Sameet S. Mehta (Son of Mr. Shailesh J. Mehta)*
	Ms. Kirtee S. Mehta (Son of Mr. Shailesh J. Mehta)*
	Ms. Sheetal Fisher (Daughter of Mr. Shailesh J. Mehta)*
	Ms. Sean Fisher (Daughter's Husband of Mr. Shailesh J. Mehta)*
	Mr. Sanjay Jayantilal Mehta (Brother of Mr. Shailesh J. Mehta)*
	Mr. Umesh Jayantilal Mehta (Brother of Mr. Shailesh J. Mehta)*
	Ms. Geeta Balasubramanian (Wife of Mr.S R Balasubramanian)*
	Mr. Ramnath Balasubramanian (Son of Mr.S R Balasubramanian)*
	Ms. Rajni Ramnath (Son's Wife of Mr.S R Balasubramanian)*
	Mr. S R Gopalakrishnan (Brother of Mr.S R Balasubramanian)*
	Mr. S Ramasubramanian (Husband of Ms. Pratima Ram)*
	Ms. Jyotsna Ram (Daughter of Ms. Pratima Ram)*
	Mr. Prakash Patel (Brother of Ms. Pratima Ram)*
	Mr. Prabhuling Patel (Brother of Ms. Pratima Ram)*
	Ms. Pramila Byahatti (Sister of Ms. Pratima Ram)*
	Ms. Poornima Jairaj (Sister of Ms. Pratima Ram)*
	Ms. Vijayalakshmi Patel (Sister of Ms. Pratima Ram)*
	Ms. Anushka Jayasankar (Daughter of Ms. Sumitha Nandan)*
	Ms. Aashirya Jayasankar (Daughter of Ms. Sumitha Nandan)*
	Ms. Aswathy Sreevatsan (Daughter of Adv. Veliath Pappu Seemandini)*
	Mr. Sumit Saseendran (Son in law of Adv. Veliath Pappu Seemandini)*
	Mr. V P Sugunan (Brother of Adv. Veliath Pappu Seemandini)*



Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Relationship	Name of the party
	Ms. V P Lalitha (Sister of Adv. Veliath Pappu Seemandini)*
	Ms. V P Surabhi (Sister of Adv. Veliath Pappu Seemandini)*
	Ms. V P Geetha (Sister of Adv. Veliath Pappu Seemandini)*
	Ms. Maya V. V (Wife of Mr. Suseel Kumar T. C)*
	Mr. Gautam Suseel (Son of Mr. Suseel Kumar T. C)*
	Ms. Gayathri (Daughter of Mr. Suseel Kumar T. C)*
	Mr. Nikhil Shyam (Daughter's Husband of Mr. Suseel Kumar T. C)*
	Mr. Nanda Kumar (Brother of Mr. Suseel Kumar T. C)*
	Mr. Gopa Kumar (Brother of Mr. Suseel Kumar T. C)*
	Mr. Sanal Kumar (Brother of Mr. Suseel Kumar T. C)*
	Ms. Geetha Bhaskar (Sister of Mr. Suseel Kumar T. C)*
	Ms. Betsy Rajagopal (Wife of Mr. Sankaran Nair Rajagopal)*
	Mr. Rahul Raja (Son of Mr. Sankaran Nair Rajagopal)*
	Ms. Rhea Raja (Daughter of Mr. Sankaran Nair Rajagopal)*
	Mr. Venu P Gopal (Brother of Mr. Sankaran Nair Rajagopal)*
	Mr. Sreekumar (Brother of Mr. Sankaran Nair Rajagopal)*
	Mr. Shibu Kumar (Brother of Mr. Sankaran Nair Rajagopal)*
	Mr. P K Vydiar (Father of Mr. E. K. Bharat Bhushan)*
	Ms. Rugmini (Mother of Mr. E. K. Bharat Bhushan)*
	Ms. Ranjana (Wife of Mr. E. K. Bharat Bhushan)*
	Mr. Virendra (Son of Mr. E. K. Bharat Bhushan)*
	Ms. Parvathy (Daughter of Mr. E. K. Bharat Bhushan)*
	Ms. Siji M G (Wife of Mr. Manoj Kumar V R)*
	Mr. V K Raman (Father of Mr. Manoj Kumar V R)*
	Ms. V K Vilasini (Mother of Mr. Manoj Kumar V R)*
	Mr. Harikrishna M Manoj (Son of Mr. Manoj Kumar V R)*
	Mr. Naveen Kumar V R (Brother of Mr. Manoj Kumar V R)*
	Mr. Praveen V R (Brother of Mr. Manoj Kumar V R)*
	Ms. Geetha V R (Sister of Mr. Manoj Kumar V R)*
	Mr. Benny (Husband of Mrs. Bindhu AL)*
	Ms. Rosily Lonappan (Mother of Ms. Bindhu AL)*
	Mr. Amal Benny (Son of Ms. Bindhu AL)*
	Ms. Anna Ben (Daughter of Ms. Bindhu AL)*
	Mr. Biju A L (Brother of Ms. Bindhu AL)*
	Mr. Nelson A L (Brother of Ms. Bindhu AL)*

* No transactions with these related parties

Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Particulars	PARENT (AS PER OWNERSHIP OR CONTROL)		SUBSIDIARIES		ASSOCIATES/ JOINT VENTURES		KEY MANAGEMENT PERSONNEL		RELATIVES OF KEY MANAGEMENT PERSONNEL		OTHERS		TOTAL		
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024
Sitting Fee To Directors:	-	-	-	-	-	-	7.56	5.58	-	-	-	-	-	7.56	5.58
Mr.Abhijit Sen	-	-	-	-	-	-	0.93	0.88	-	-	-	-	-	0.93	0.88
Mr.Harshan Kollara	-	-	-	-	-	-	1.02	1.02	-	-	-	-	-	1.02	1.02
Mr.P Manomohan	-	-	-	-	-	-	1.13	1.02	-	-	-	-	-	1.13	1.02
Mr.Shailesh J. Mehta	-	-	-	-	-	-	1.10	1.06	-	-	-	-	-	1.10	1.06
Mrs.Sutapa Banerjee	-	-	-	-	-	-	-	0.26	-	-	-	-	-	-	0.26
Mr.V.R. Ramachandran	-	-	-	-	-	-	0.78	0.76	-	-	-	-	-	0.78	0.76
Mr.Balasesubrahmanian	-	-	-	-	-	-	0.57	0.34	-	-	-	-	-	0.57	0.34
Ms. Pratima	-	-	-	-	-	-	1.07	0.16	-	-	-	-	-	1.07	0.16
Ms. Seemadhini	-	-	-	-	-	-	0.74	0.08	-	-	-	-	-	0.74	0.08
Mr. T.C Suseel Kumar	-	-	-	-	-	-	0.12	-	-	-	-	-	-	0.12	-
Dr. Sankaran Nair Rajagopal	-	-	-	-	-	-	0.08	-	-	-	-	-	-	0.08	-
Mr.Edodijit Kunhiraman Bharat Bhushan	-	-	-	-	-	-	0.04	-	-	-	-	-	-	0.04	-
Commission Fee To Directors:	-	-	-	-	-	-	145.23	117.13	-	-	-	-	-	145.23	117.13
Mr. V.P.Nandakumar	-	-	-	-	-	-	100.00	85.00	-	-	-	-	-	100.00	85.00
Mr.Shailesh J. Mehta	-	-	-	-	-	-	11.50	10.00	-	-	-	-	-	11.50	10.00
Mr.P Manomohan	-	-	-	-	-	-	3.10	2.80	-	-	-	-	-	3.10	2.80
Mr.V.R. Ramachandran	-	-	-	-	-	-	4.70	4.20	-	-	-	-	-	4.70	4.20
Mrs.Sutapa Banerjee	-	-	-	-	-	-	-	0.88	-	-	-	-	-	-	0.88
Mr.Abhijit Sen	-	-	-	-	-	-	5.40	5.10	-	-	-	-	-	5.40	5.10
Mr.Harshan Kollara	-	-	-	-	-	-	3.90	3.50	-	-	-	-	-	3.90	3.50
Mr.Balasesubrahmanian	-	-	-	-	-	-	3.10	2.80	-	-	-	-	-	3.10	2.80
Ms. Pratima Ram	-	-	-	-	-	-	3.10	1.40	-	-	-	-	-	3.10	1.40
Ms.V.P Seemadhini	-	-	-	-	-	-	3.10	0.70	-	-	-	-	-	3.10	0.70
Ms. Sumitha Nandan	-	-	-	-	-	-	5.00	0.75	-	-	-	-	-	5.00	0.75
Mr. T.C Suseel Kumar	-	-	-	-	-	-	1.29	-	-	-	-	-	-	1.29	-
Dr. Sankaran Nair Rajagopal	-	-	-	-	-	-	0.78	-	-	-	-	-	-	0.78	-
Mr.Edodijit Kunhiraman Bharat Bhushan	-	-	-	-	-	-	0.26	-	-	-	-	-	-	0.26	-
Incentive	-	-	-	-	-	-	2.42	2.20	-	-	-	-	-	2.42	2.20
Mrs. BinduA.L – CFO	-	-	-	-	-	-	2.42	2.20	-	-	-	-	-	2.42	2.20



Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Particulars	PARENT (AS PER OWNERSHIP OR CONTROL)		SUBSIDIARIES		ASSOCIATES/ JOINT VENTURES		KEY MANAGEMENT PERSONNEL		RELATIVES OF KEY MANAGEMENT PERSONNEL		OTHERS		TOTAL		
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024
	Remuneration To Directors	-	-	-	-	-	-	117.34	103.78	-	-	-	-	117.34	103.78
Mr. VP Nandakumar	-	-	-	-	-	-	106.88	101.25	-	-	-	-	106.88	101.25	
Ms. Sumitha Nandan	-	-	-	-	-	-	10.46	2.53	-	-	-	-	10.46	2.53	
Remuneration To Other Kmps	-	-	-	-	-	-	18.98	15.69	-	-	-	-	18.98	15.69	
Ms. Bindu AL	-	-	-	-	-	-	14.79	11.78	-	-	-	-	14.79	11.78	
Mr. Manoj Kumar VR	-	-	-	-	-	-	4.20	3.91	-	-	-	-	4.20	3.91	
Remuneration Paid To Relative Of Kmp	-	-	-	-	-	-	-	-	1.38	1.38	-	-	1.38	1.38	
Mr. Suhas Nandan	-	-	-	-	-	-	-	-	1.38	1.38	-	-	1.38	1.38	
Rent Waived	-	-	-	-	-	-	-	-	-	-	-	-	11.00	17.25	
Manappuram Foundation	-	-	-	-	-	-	-	-	-	-	-	-	11.00	17.25	
CSR Paid	-	-	-	-	-	-	444.69	472.44	-	-	-	-	444.69	472.44	
Manappuram Foundation	-	-	-	-	-	-	444.69	472.44	-	-	-	-	444.69	472.44	
Payment To	-	-	-	-	-	-	222.92	199.82	-	-	-	-	222.92	199.82	
Lions Co-Ordination Committee Of India Association	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Manappuram Group Gratuity Trust(Appeared)	-	-	-	-	-	-	222.92	199.82	-	-	-	-	222.92	199.82	
Rent Paid	-	-	-	-	-	-	6.98	4.95	0.17	0.16	-	-	7.15	5.11	
Mr. Suhas Nandan	-	-	-	-	-	-	-	-	0.17	0.16	-	-	0.17	0.16	
Manappuram Agro Farms Limited	-	-	-	-	-	-	6.98	4.95	-	-	-	-	6.98	4.95	
Rent Received	-	-	-	-	-	-	1.73	1.71	-	-	-	-	1.73	1.71	
Manappuram Jewellers Limited	-	-	-	-	-	-	1.48	1.40	-	-	-	-	1.48	1.40	
Manappuram Agro Farms Limited	-	-	-	-	-	-	0.25	0.31	-	-	-	-	0.25	0.31	
Manappuram Foundation	-	-	-	-	-	-	0.001	0.001	-	-	-	-	0.001	0.001	
Electricity Charge Received	-	-	-	-	-	-	0.51	0.50	-	-	-	-	0.51	0.50	
Manappuram Jewellers Limited	-	-	-	-	-	-	0.43	0.40	-	-	-	-	0.43	0.40	
Manappuram Foundation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Manappuram Agro Farms Limited	-	-	-	-	-	-	0.08	0.10	-	-	-	-	0.08	0.10	
Purchase Of Assets & Others	-	-	-	-	-	-	0.88	0.10	-	-	-	-	0.88	0.10	
Subscription Fee Paid	-	-	-	-	-	-	-	0.05	-	-	-	-	-	0.05	
Finance Industry Development Council	-	-	-	-	-	-	0.10	0.05	-	-	-	-	0.10	0.05	
Federation of Indian Chambers of Commerce & Industry	-	-	-	-	-	-	0.78	-	-	-	-	-	0.78	-	

Notes

 to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Particulars	PARENT (AS PER OWNERSHIP OR CONTROL)		SUBSIDIARIES		ASSOCIATES/ JOINT VENTURES		KEY MANAGEMENT PERSONNEL		RELATIVES OF KEY MANAGEMENT PERSONNEL		OTHERS		TOTAL		
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024
Advertisement Expense	-	-	-	-	2.53	0.70	-	-	-	-	-	-	-	2.53	0.70
Finance Industry Development Council	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lions Co-Ordination Committee Of India Association	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Federation Of Indian Chambers Of Commerce & Industry(Ficci)	-	-	-	-	2.53	0.70	-	-	-	-	-	-	-	2.53	0.70
Masters Games Association	-	-	-	-	0.03	-	-	-	-	-	-	-	-	0.03	-
Reimbursement Expense Paid	-	-	-	-	-	-	0.80	0.73	-	-	-	-	-	0.80	0.73
Mr. V.P.Nandakumar	-	-	-	-	-	-	0.80	0.73	-	-	-	-	-	0.80	0.73
Ms. Sumitha Nandan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Education And Training Services Provided	-	-	-	-	0.67	3.73	-	-	-	-	-	-	-	0.67	3.73
Manappuram Jewellers Limited	-	-	-	-	0.11	0.44	-	-	-	-	-	-	-	0.11	0.44
Maben Nidhi Limited	-	-	-	-	0.14	0.67	-	-	-	-	-	-	-	0.14	0.67
Manappuram Asset Finance Limited	-	-	-	-	0.26	0.61	-	-	-	-	-	-	-	0.26	0.61
Manappuram Chits India Limited	-	-	-	-	0.04	0.41	-	-	-	-	-	-	-	0.04	0.41
Manappuram Agro Farms Limited	-	-	-	-	0.04	0.86	-	-	-	-	-	-	-	0.04	0.86
Manappuram Health Care Ltd	-	-	-	-	0.08	0.74	-	-	-	-	-	-	-	0.08	0.74
Education And Training Services Provided in FY 2022-23 Received in FY 2023-24	-	-	-	-	1.17	-	-	-	-	-	-	-	-	1.17	-
Manappuram Agro Farms Limited	-	-	-	-	0.43	-	-	-	-	-	-	-	-	0.43	-
Manappuram Health Care Ltd	-	-	-	-	0.74	-	-	-	-	-	-	-	-	0.74	-
Other Expenses Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Agro Farms Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Construction And Consultants Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Health Care Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maintenance And Repairs Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Construction And Consultants Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commission Expense On Money Transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Asset Finance Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Particulars	PARENT (AS PER OWNERSHIP OR CONTROL)		SUBSIDIARIES		ASSOCIATES/ JOINT VENTURES		KEY MANAGEMENT PERSONNEL		RELATIVES OF KEY MANAGEMENT PERSONNEL		OTHERS		TOTAL	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	
Staff Welfare Expenses Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Health Care Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adlux Medicity And Convention Centre Private Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Construction Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Construction And Consultants Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Money Transfer - Principal Amount Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Asset Finance Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount Paid To	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Finance Staff Welfare Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gratuity Transferred	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Jewellers Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Foundation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Foundation - Mukundapuram	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate Loan Given To Related Party Of Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	150.00
Svasti Microfinance Pvt Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	150.00
Principal And Interest Repayment	-	-	-	-	-	-	-	-	-	-	-	-	-	43.52
Svasti Microfinance Pvt Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	43.52
Balance Outstanding As At The Year End:	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security Deposit	-	-	-	-	0.39	0.39	-	-	-	-	-	-	-	0.39
Manappuram Foundation	-	-	-	-	0.19	0.19	-	-	-	-	-	-	-	0.19
Manappuram Jewellers Limited	-	-	-	-	0.16	0.16	-	-	-	-	-	-	-	0.16
Manappuram Agro Farms Limited	-	-	-	-	0.04	0.04	-	-	-	-	-	-	-	0.04
Corporate Loan Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	150.00
Spandana Sphoorty Financial Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Svasti Microfinance Pvt Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	150.00
Amounts Payable (Net) To Related Parties	-	-	-	-	0.86	4.09	147.75	119.96	0.01	-	-	-	-	148.62
Mr.VPNandakumar	-	-	-	-	-	-	100.00	85.00	-	-	-	-	-	100.00
Mr.Abhijit Sen	-	-	-	-	-	-	5.40	5.20	-	-	-	-	-	5.40
Mr.Harshan Kollara	-	-	-	-	-	-	3.90	3.62	-	-	-	-	-	3.90
Mr.P Manomohan	-	-	-	-	-	-	3.12	2.90	-	-	-	-	-	3.12

Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Particulars	PARENT (AS PER OWNERSHIP OR CONTROL)		SUBSIDIARIES		ASSOCIATES/ JOINT VENTURES		KEY MANAGEMENT PERSONNEL		RELATIVES OF KEY MANAGEMENT PERSONNEL		OTHERS		TOTAL	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	
Mr. Shailesh J. Mehta	-	-	-	-	-	11.50	10.12	-	-	-	-	-	11.50	10.12
Mrs. Sutapa Banerjee	-	-	-	-	-	-	0.88	-	-	-	-	-	-	0.88
Mr. V.R. Ramachandran	-	-	-	-	-	4.72	4.27	-	-	-	-	-	4.72	4.27
Mr. Balasubrahmanian	-	-	-	-	-	3.10	2.84	-	-	-	-	-	3.10	2.84
Mr. Suhas Nandan	-	-	-	-	-	-	-	0.01	-	-	-	-	0.01	-
Ms. Sumitha Nandan	-	-	-	-	-	5.00	0.75	-	-	-	-	-	5.00	0.75
Pratima	-	-	-	-	-	3.12	1.44	-	-	-	-	-	3.12	1.44
V.P. Seemadini	-	-	-	-	-	3.10	0.74	-	-	-	-	-	3.10	0.74
Mr. T.C. Suseel Kumar	-	-	-	-	-	1.29	-	-	-	-	-	-	1.29	-
Dr. Sankaran Nair Rajagopal	-	-	-	-	-	0.78	-	-	-	-	-	-	0.78	-
Mr. Edodijit Kunhiraman Bharat Bhushan	-	-	-	-	-	0.30	-	-	-	-	-	-	0.30	-
Manappuram Construction And Consultants Limited	-	-	-	-	0.38	-	3.90	-	-	-	-	-	0.38	3.90
Manappuram Travels	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manappuram Agro Farms Limited	-	-	-	-	0.48	-	0.19	-	-	-	-	-	0.48	0.19
Manappuram Finance Staff Welfare Trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ms. Bindu A.L.	-	-	-	-	-	2.42	2.20	-	-	-	-	-	2.42	2.20

Note:

- a) Related parties have been identified on the basis of the declaration received by the management and other records available.
- b) Loans given to related parties are repayable on demand. These loans carry interest @ 11.15%
- c) The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.



Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 48: Fair Value Measurement

48.1 Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

48.2 Valuation governance

The Group's process to determine fair values is part of its periodic financial close process. The Audit Committee exercises the overall supervision over the methodology and models to determine the fair value as part of its overall monitoring of financial close process and controls. The responsibility of ongoing measurement resides with business units. Once submitted, fair value estimates are also reviewed and challenged by the Risk and Finance functions.

48.3 Assets and liabilities by fair value hierarchy

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

Particulars	31 March 2024				31 March 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis								
Derivative financial instruments								
Cross Currency Swaps	-	17.12	-	17.12	-	277.25	-	277.25
Forward Rate Agreements	-	-	-	-	-	-	-	-
Total derivative financial instruments	-	17.12	-	17.12	-	277.25	-	277.25
Financial investment held for trading								
Equity Shares	46.32	-	-	46.32	0.75	-	-	0.75
Total financial investment held for trading	46.32	-	-	46.32	0.75	-	-	0.75
Total assets measured at fair value on a recurring basis	46.32	17.12	-	63.44	0.75	277.25	-	277.99
Assets measured at fair value on a non-recurring basis								
Liabilities measured at fair value on a recurring basis								
Derivative financial instruments								
Forward contracts	-	8.33	-	8.33	-	(32.85)	-	(32.85)
Total derivative financial instruments	-	8.33	-	8.33	-	(32.85)	-	(32.85)
Liabilities measured at fair value on a non-recurring basis	-	8.33	-	8.33	-	(32.85)	-	(32.85)

48.4 Valuation techniques

Equity instruments

Equity instruments in non-listed entities are initially recognised at transaction price and re-measured (to the extent information is available) and valued on a case-by-case and classified as Level 3. The Group uses prices from prior transactions without adjustment to arrive at the fair value. Prior transaction represents the price at which same investment was sold in the deal transaction.

Cross Currency Swaps

Interest rate derivatives include interest rate swaps, cross currency interest rate swaps, basis swaps and interest rate forwards (FRAs). The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations by estimating future cash flows and discounting them with the appropriate yield curves incorporating funding costs relevant for

Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

the position. These contracts are generally Level 2 unless adjustments to yield curves or credit spreads are based on significant non-observable inputs, in which case, they are Level 3.

Interest rate derivatives

Interest rate derivatives include interest rate swaps, cross currency interest rate swaps, basis swaps and interest rate forwards (FRAs). The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations by estimating future cash flows and discounting them with the appropriate yield curves incorporating funding costs relevant for the position. These contracts are generally Level 2 unless adjustments to yield curves or credit spreads are based on significant non-observable inputs, in which case, they are Level 3.

Foreign exchange contracts

Foreign exchange contracts include open spot contracts, foreign exchange forward and swap contracts and over the-counter foreign exchange options. These instruments are valued by either observable foreign exchange rates, observable or calculated forward points and option valuation models. With the exception of contracts where a directly observable rate is available which are disclosed as Level 1, the Group classifies foreign exchange contracts as Level 2 financial instruments when no unobservable inputs are used for their valuation or the unobservable inputs used are not significant to the measurement (as a whole).

Movements in Level 3 financial instruments measured at fair value

There are no Level 3 financial assets and liabilities which are recorded at fair value.

Impact on fair value of level 3 financial instruments measured at fair value of changes to key assumptions

The table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Group's Level 3 assets and liabilities.

The carrying value and fair value of financial instruments by categories are as follows:

Particulars	Level	Carrying Value		Fair Value	
		31 March 2024	31 March 2023	31 March 2024	31 March 2023
Financial assets					
Cash and cash equivalents	2	25,498.72	25,004.78	25,498.72	25,004.78
Bank Balance other than above	2	6,313.78	5,346.18	6,313.78	5,346.18
Loans	3	409,475.67	341,945.05	409,475.67	341,945.05
Investments	1	4,156.37	4,140.88	4,156.37	4,140.88
Investments	3	3,107.00	1,199.25	3,107.00	1,199.25
Derivative financial instruments	2	25.45	244.40	25.45	244.40
Other Financial assets	2	4,372.73	3,172.21	4,372.73	3,172.21
Other Financial assets	3	22.29	101.56	22.29	101.56
Total financial assets		452,972.01	381,154.31	452,972.01	381,154.31
Financial Liabilities					
Payables	2	1,218.78	1,060.86	1,218.78	1,060.86
Debt Securities	2	51,800.04	62,641.86	51,670.26	62,512.08
Borrowings (other than debt security)	2	279,869.31	218,246.50	279,869.31	218,246.50
Deposits	2	0.70	0.91	0.70	0.91
Subordinated Liabilities	2	4,864.63	3,940.11	4,864.63	3,940.11
Other Financial liabilities	2	4,414.97	3,303.33	4,414.97	3,303.33
Lease Liabilities		6,664.18	6,837.31	6,664.18	6,837.31
Total Financial Liabilities		348,832.61	296,030.88	348,702.83	295,901.10



Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the financial statements. These fair values were calculated for disclosure purposes only.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and balances, balances other than cash and cash equivalents, trade payables and other financial liabilities without a specific maturity. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.

Loans and advances to customers

Fair value of Loans estimated using a discounted cash flow model on contractual cash flows using actual/estimated yields.

Borrowings

The floating rate loans are fair valued on the basis of MCLR+spread. For fixed rate loans, the carrying values are a reasonable approximation of their fair value.

Note 49: Risk Management

Risk is an integral part of the Group's business and sound risk management is critical to the success. As a financial institution, the Group is exposed to risks that are particular to its lending and the environment within which it operates and primarily includes Credit, Liquidity, Market and Operational Risks. Group's goal in risk management is to ensure that it understands measures and monitors the various risks that arise and the organization adheres strictly to the policies and procedures which are established to address these risks. The Group has a risk management policy which covers risks associated with the financial assets and liabilities. The Board of Directors of the Group are responsible for the overall risk management approach, approving risk management strategies and principles. Risk Management Committee of the Board reviews credit, operations and market risks faced by MAFIL periodically. Group has appointed a Chief Credit Officer who reports to MD & CEO and presenting risk related matters to Risk Management Committee and the Board.

The Group has implemented comprehensive policies and procedures to assess, monitor and manage risk throughout the Group. The risk management process is continuously reviewed, improved and adapted in the changing risk scenario and the agility of the risk management process is monitored and reviewed for its appropriateness in the changing risk landscape. The process of continuous evaluation of risks includes taking stock of the risk landscape on an event-driven basis.

The Group has an elaborate process for risk management. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

Credit Risk

Credit risk is the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Group. As the Group predominantly lend against gold jewellery, which are liquid securities, its credit risks are comparatively lower. Its other verticals, Micro Finance, Vehicle Finance, Micro loans etc. have significant credit risk.

Appraisal Risk: The borrowers are awarded risk grades and only eligible borrowers are financed. Besides continuous training of employees through digital media, Credit officers are imparted on the job and class room training on a continuous basis. Credit appraisal processes are being reviewed regularly by Credit Monitoring teams and credit auditors and more risk filters are added whenever necessary.

Collection risk: As the gold ornaments are liquid, collection in gold portfolio attaches minimal risks. We have developed a team of trained Relationship Managers and sales staff for continuous engagement with the borrowers under verticals like Micro Finance, Vehicle Finance, Housing loans, Micro loans etc. to ensure timely payment of their dues. Collection efficiency of verticals are being monitored closely by the Senior Management.

Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Concentration risk: As on 31 March 2024, our gold loan portfolio is 48.46% of the total AUM (Asset Under Management). Gold loans are granted against liquid securities for short period which substantially insulates from credit risk and liquidity risk. We have already diversified into Home Finance, Commercial Vehicles, Microfinance and budget to grow the new verticals so as to contain our exposure to gold to 50% of the total AUM in ten years.

Our geographical presence is largely in the southern India. We are now giving thrust for opening new branches in north and north eastern states which have high growth potentials. A geographical exposure limit will be fixed when operations of the new branches are stabilised.

The credit risk management policy of the Group seeks to have following controls and key metrics that allows credit risks to be identified, assessed, monitored and reported in a timely and efficient manner in compliance with regulatory requirements.

- Standardize the process of identifying new risks and designing appropriate controls for these risks
- Maintain an appropriate credit administration and loan review system
- Establish metrics for portfolio monitoring
- Minimize losses due to defaults or untimely payments by borrowers
- Design appropriate credit risk mitigation techniques

In order to mitigate the impact of credit risk in the future profitability, the Group makes reserves basis the expected credit loss (ECL) model for the outstanding loans as balance sheet date.

The below discussion describes the Group's approach for assessing impairment as stated in the significant accounting policies.

The Group considers a financial instrument defaulted and therefore Stage 3 (credit impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations on whether Stage 2 is appropriate.

Exposure at Default (EAD)

The outstanding balance at the reporting date (adjusted for subsequent realisations in the case of Gold Loan), is considered as EAD by the Group. Considering that the PD determined above factors in amount at default, there is no separate requirement to estimate EAD.

The Group uses historical information where available to determine PD. Considering the different products and schemes, the Group has bifurcated its loan portfolio into various pools. For certain pools where historical information is available, the PD is calculated using Incremental NPA approach considering fresh slippage of past 6 years. For those pools where historical information is not available, the PD default rates as stated by external reporting agencies is considered.

While estimating the expected credit loss, the Group reviews macro-economic developments occurring in the economy and the market it operates in. Forward looking information is considered in addition to historical default rates to assess the probability of default for Stage 1 and Stage 2 of Loan contracts since it's initial recognition and its measurement of ECL. Accordingly, the Group has assessed that the macro-economic variables that may impact credit risk are GDP growth, Interest and Inflation rates, Unemployment rates etc. Post management overlay, the PD percentages are mentioned below:



Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

A) Manappuram Finance Limited

Pools	31 March 2024			31 March 2023		
	Stage I	Stage II*	Stage III	Stage I	Stage II	Stage III
1) Gold Loan-Normal risk**	12.97%	12.97%	100.00%	15.54%	15.54%	100.00%
2) Vehicle Loan						
CV	6.06%	14.63%	100.00%	5.81%	12.09%	100.00%
BUS	8.92%	17.02%	100.00%	8.38%	14.66%	100.00%
FE	3.79%	13.89%	100.00%	2.49%	7.29%	100.00%
CAR/AUTO	4.10%	11.12%	100.00%	3.76%	9.01%	100.00%
TW	7.55%	12.31%	100.00%	6.61%	8.02%	100.00%
3) SME Loan	5.68%	14.48%	100.00%	6.93%	23.49%	100.00%

* Excluding restructured loans, where in Vehicle loan Stage II restructured loans for CV -65% ,BUS -63% and CAR - 100% as at March 31, 2024.

4) Onlending, Corporate Finance and Project and Industrial Finance Loan, external ratings or internal evaluation with a management overlay for each customer.

5) Personal Loans and other verticals, external ratings or internal evaluation with a management overlay for each customer industry segment.

** Excludes portfolio where PD has been considered at 100%

In case of Gold loans, incremental NPA is considered after taking into account auctions during the year since such cases are auctioned and total dues are recovered even before the account turns NPA.

B) Asirvad Micro Finance Limited

Pools	31 March 2024			31 March 2023		
	Stage I	Stage II*	Stage III	Stage I	Stage II	Stage III
1) Micro Finance Loans	2.01%	12.42%	100.00%	1.84%	18.43%	100.00%
2) SME loans						
3) MSME loans	0.40%	0.40%	10.00%	0.40%	0.40%	10.00%

C) Manappuram Home Finance Limited

Pools	31 March 2024			31 March 2023		
	Stage I	Stage II*	Stage III	Stage I	Stage II	Stage III
1) Construction	1.26%	12.20%	100.00%	1.18%	7.96%	100.00%
2) Ready to use House	2.71%	21.03%	100.00%	3.17%	19.50%	100.00%
3) Home Improvement	1.09%	7.92%	100.00%	1.31%	8.84%	100.00%
4) Home Extension	1.45%	15.86%	100.00%	1.53%	10.22%	100.00%
5) Balance Transfer & Top-Up	2.79%	21.50%	100.00%	2.84%	18.28%	100.00%
6) LAP	1.58%	14.12%	100.00%	1.83%	11.92%	100.00%

Loss Given Default

The Group determines its recovery rates by analysing the recovery trends over different periods of time after a loan has defaulted. Based on its analysis of historical trends, homogenous nature of the loans etc, the Group has assessed that significant recoveries happen in the year in which default has occurred. Recoveries from all the phases like normal collections, auction collections, repossession sale as well as expected realization from collateral are considered while computing the LGD rates for each loan portfolio. For different stages such as stage 1, stage 2 & stage 3 portfolios, we are applying same LGD rate except in case of loss assets and unsecured loans in stage 3 which is at 100%.

Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

A) Manappuram Finance Limited

Pools	Mar-24	Mar-23
1) Gold Loan*	2.94%	3.04%
2) Vehicle Loan		
CV	15.79%	16.07%
BUS	16.22%	18.61%
FE	13.73%	13.01%
CAR/AUTO	9.98%	10.80%
TW	22.65%	23.95%
3) SME Loan	27.18%	67.99%
4) Onlending	60%	60%
5) Corporate Finance	100%	100%

B) Asirvad Micro Finance Limited

Pools	31 March 2024			31 March 2023		
	Stage I	Stage II*	Stage III	Stage I	Stage II	Stage III
1) Micro Finance Loans	63.50%	63.50%	63.50%	58.77%	58.77%	58.77%
2) SME loans	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%
3) MSME loans	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

C) Manappuram Home Finance Limited

Pools	Mar-24	Mar-23
1) Construction	17.08%	16.17%
2) Ready to use House	17.08%	16.17%
3) Home Improvement	17.08%	16.17%
4) Home Extension	17.08%	16.17%
5) Balance Transfer & Top-Up	17.08%	16.17%
6) LAP	17.08%	16.17%

LGD Rates have been computed internally based on the discounted recoveries in NPA accounts that are closed/ written off/ repossessed and upgraded during the year. LGD rates for SME, Onlending and other loans is considered based on proxy FIRB rates for secured loans.

In estimating LGD, the Group reviews macro-economic developments taking place in the economy. Based on internal evaluation, Group has provided a management overlay in LGD computed for Vehicle and SME portfolios.

The Group has applied management overlays to the ECL Model to consider the impact of the Covid-19 pandemic on the provision. The adjustment to the probability of default has been assessed considering the likelihood of increased credit risk and consequential default due to the pandemic. The impact on collateral values is also assessed for determination of adjustment to the loss given default and reasonable haircuts are applied wherever necessary. Days past due has been computed after excluding the moratorium as specified in various RBI circulars, for the aforesaid classification into Stage I, Stage II and Stage III loans.

As per the RBI guidelines, the ECL policy has been approved by Audit Committee and the Board. Modifications to the ECL model, if any, is approved by the Board. As part of the management overlays, as per the approved ECL policy, the management has adjusted the underlying PD as mentioned above and in case of corporate loan by downgrading the ratings to one level lower) and LGD as computed by ECL Model as mentioned above depending on the nature of the portfolio/borrower, the management's estimate of the future stress and risk and available market information. Refer note 7 to the consolidated financial statements.



Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Asset & Liability management

Asset and Liability Management (ALM) is defined as the practice of managing risks arising due to mismatches in the asset and liabilities. Group's funding consists of both long term as well as short term sources with different maturity patterns and varying interest rates. On the other hand, the asset book also comprises of loans of different duration and interest rates. Maturity mismatches are therefore common and has an impact on the liquidity and profitability of the group. It is necessary for Group to monitor and manage the assets and liabilities in such a manner to minimize mismatches and keep them within reasonable limits.

The objective of this policy is to create an institutional mechanism to compute and monitor periodically the maturity pattern of the various liabilities and assets of Group to (a) ascertain in percentage terms the nature and extent of mismatch in different maturity buckets, especially the 1-30/31days bucket, which would indicate the structural liquidity (b) the extent and nature of cumulative mismatch in different buckets indicative of short term dynamic liquidity and © the residual maturity pattern of repricing of assets and liabilities which would show the likely impact of movement of interest rate in either direction on profitability. This policy will guide the ALM system in Group.

The scope of ALM function can be described as follows:

- Liquidity risk management
- Management of market risks
- Others

Liquidity Risk

Liquidity risk refers to the risk that the Group may not meet its financial obligations. Liquidity risk arises due to the unavailability of adequate funds at an appropriate cost or tenure. The objective of liquidity risk management, is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group consistently generates sufficient cash flows from operating and financial activities to meet its financial obligations as and when they fall due. Our resource mobilisation team sources funds from multiple sources, including from banks, financial institutions and capital markets to maintain a healthy mix of sources. The resource mobilisation team is responsible for diversifying fund raising sources, managing interest rate risks and maintaining a strong relationship with banks, financial institutions, mutual funds, insurance companies, other domestic and foreign financial institutions and rating agencies to ensure the liquidity risk is well addressed.

The table below provide details regarding the contractual maturities of significant financial assets and liabilities as on:-

Maturity pattern of assets and liabilities as on 31 March 2024:

Particulars	0 to 7 days	8 to 14 days	Over 14 days to one month	Over one month to 2 months	Over 2 months to 3 months	Over 3 Months upto 6 months	Over 6 Months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Borrowings	2,337.49	3,247.84	4,237.89	18,419.32	46,230.95	44,347.61	50,882.90	74,468.08	16,894.92	3,112.39	264,179.38
Foreign Currency Term Loan	-	-	-	-	909.10	909.10	2,234.10	5,045.93	2,972.08	-	12,070.31
Debt Security	2.09	-	1,057.72	971.90	8,357.10	5,429.71	8,396.44	12,502.71	3,000.00	12,082.38	51,800.04
Subordinated Debts	-	-	-	-	-	-	-	-	-	-	-
Securitisation	-	-	390.91	417.43	426.28	889.11	1,147.53	348.34	-	-	3,619.59
Advances	1,935.31	1,928.09	6,362.25	28,271.46	19,693.61	52,151.16	198,789.51	71,433.15	20,854.56	8,056.57	409,475.67
Investments	1,948.73	-	-	30.90	23.49	-	59.97	3,196.02	120.00	1,884.24	7,263.36

Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Maturity pattern of assets and liabilities as on 31 March 2023:

Particulars	0 to 7 days	8 to 14 days	Over 14 days to one month	Over one month to 2 months	Over 2 months to 3 months	Over 3 Months upto 6 months	Over 6 Months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Borrowings	2,338.08	11,311.99	4,236.59	17,631.25	33,622.72	23,779.66	32,641.55	69,737.32	11,392.74	3,753.24	210,445.15
Foreign Currency Term Loan	-	-	-	-	910.00	910.00	1,820.00	3,616.52	-	197.44	7,453.96
Debt Security	1.98	384.00	1,671.56	1,530.36	6,883.73	490.29	17,624.08	17,250.17	4,923.05	11,882.64	62,641.86
Subordinated Debts	-	-	-	-	-	-	-	-	-	-	-
Securitisation	23.87	27.54	58.75	149.42	145.35	708.06	1,826.21	1,348.30	-	-	4,287.50
Advances	3,778.51	7,322.16	15,356.13	21,696.13	22,619.39	133,907.33	77,825.85	36,810.15	11,353.42	11,275.98	341,945.05
Investments	-	-	-	30.69	23.27	-	23.32	3,132.69	93.32	2,036.84	5,340.13

*Amount represents net balance after the adjustments on account of Indian Accounting Standards.

Market Risk

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity, and other market changes. The Group is exposed to three types of market risk as follows:

Foreign Exchange Risk (Forex Risk)

Forex risk is a risk that exists when a financial transaction is denominated in a currency other than the domestic currency of the Group. Any appreciation /depreciation of the base currency or the depreciation/appreciation of the denominated currency will affect the cash flows emanating from that transaction. Group has fully hedged the forex risk by derivative instruments.

Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

We are subject to interest rate risk, principally because we lend to clients at fixed interest rates and for periods that may differ from our funding sources, while our borrowings are at both fixed and variable interest rates for different periods. We assess and manage our interest rate risk by managing our assets and liabilities. Our Asset Liability Management Committee evaluates asset liability management, and ensures that all significant mismatches, if any, are being managed appropriately.

The Group has Board Approved Asset Liability Management (ALM) policy for managing interest rate risk and policy for determining the interest rate to be charged on the loans given.

Price Risk

The Group's exposure to price risk is not material. The drop in gold prices is unlikely to have a significant impact on asset quality of the Group since the disbursement LTV is below 75% and average portfolio LTV as on the reporting period was 60% to 65% only. However the sustained decrease in market price may cause for decrease in the size of our Gold Loan Portfolio and the interest income. Management monitors the gold prices and other loans on regular basis.

Operational and business risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Group cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit. Risk Management Committee comprising representatives of the Senior Management, reviews matters relating to operational and business risk, including corrective and remedial actions as regards people and processes.



Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 50: Details of Financial Assets sold to Securitisation Company

Particulars	31 March 2024	31 March 2023
(i) No of SPVs sponsored by the NBFC for securitisation transactions	-	-
(ii) Total amount of securitised assets as per books of the SPVs Sponsored	-	-
(iii) Total amount of exposures retained by the NBFC to comply with MRR as on the date of Balance sheet	-	-
(iv) Amount of exposures to securitisation transactions Other than MRR as on the date of Balance sheet	-	-

Particulars	31 March 2024	31 March 2023
Total number of loan assets securitized during the year	2,684	-
Book value of loan assets securitized during the year	1,091.35	-
Sale consideration received during the year	982.22	-
Vehicle Loans Subordinated as Credit Enhancement on Assets Derecognised	-	-
Gain / (loss) on the securitization transaction recognised in P&L	-	-
Gain / (loss) on the securitization transactions deferred	-	-
Quantum of Credit Enhancement provided on the transactions in the form of deposits	109.14	-
Quantum of Credit Enhancement as at year end	109.14	-
Interest spread Recognised in the Statement of Profit and Loss during the Year	9.34%	-

Asirvad Micro Finance Limited

Particulars	31 March 2024	31 March 2023
(i) No of SPVs sponsored by the NBFC for securitisation transactions		
a. Through Direct assignment	37	28
b. Through PTC	6	3
Total	43	31
(ii) Total amount of securitised assets as per books of the SPVs Sponsored		
a. Through Direct assignment	12,177.51	10,554.16
b. Through Pass through Certificates	4,203.31	4,304.14
Total	16,380.82	14,858.30
(iii) Total amount of exposures retained by the NBFC to comply with MRR as on the date of Balance sheet	-	-
a) Off-balance sheet exposures		
First loss	-	-
Others	-	-
b) On-balance sheet exposures		
- First loss		
a. Direct Assignment	1,352.39	1,195.37
a. Pass through Certificates	-	-
- Others	-	-

Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Particulars	31 March 2024	31 March 2023
(iv) Amount of exposures to securitisation transactions Other than MRR	-	-
a) Off-balance sheet exposures	-	-
i) Exposure to own securitizations	-	-
First loss	-	-
a) Direct Assignment	-	-
b) Pass Through certificates	-	-
Loss	-	-
ii) Exposure to third party securitisations	-	-
First loss	-	-
Others	-	-
b) On-balance sheet exposures	-	-
i) Exposure to own securitisations	-	-
First loss	-	-
Others	-	-
ii) Exposure to third party securitisations	-	-
First loss	-	-
Others	-	-

Details of Financial Assets sold to Securitisation Company

Particulars	31 March 2024	31 March 2023
Total number of loan assets securitized during the year	722,255.00	519,059.00
a. Through Direct assignment (no. of accounts)	578,232.00	381,103.00
b. Through PTC (no. of accounts)	144,023.00	137,956.00
Book value of loan assets securitized during the year	26,578.28	17,791.52
a. Through Direct assignment	21,237.21	12,572.53
b. Through PTC	5,341.07	5,218.99
Sale consideration received during the year	23,829.91	15,832.92
a. Through Direct assignment	19,113.48	11,315.36
b. Through PTC	4,716.43	4,517.56
MFI Loans Subordinated as Credit Enhancement on Assets Derecognised	2,748.36	1,958.61
a. Through Direct assignment	2,123.72	1,257.18
b. Through PTC	624.64	701.43
Gain / (loss) on the securitization transaction recognised in P&L	-	-
a. Through Direct assignment	1,425.00	1,036.95
b. Through PTC	-	-
Gain / (loss) on the securitization transactions deferred	-	-
a. Through Direct assignment	-	-
b. Through PTC	-	-
Quantum of Credit Enhancement provided on the transactions in the form of deposits	201.84	228.32
a. Through Direct assignment	-	-
b. Through PTC	201.84	228.32
Quantum of Credit Enhancement as at year end	2,771.96	228.32
a. Through Direct assignment	2,123.72	-
b. Through PTC	648.24	228.32
Interest spread Recognised in the Statement of Profit and Loss during the Year	1,425.00	1,036.95
a. Through Direct assignment	1,425.00	1,036.95
b. Through PTC	-	-



Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Details of assignment transactions

Manappuram Finance Limited

Particulars	31 March 2024	31 March 2023
(i) Number of Accounts	10,079.00	4,804
(ii) Aggregate value (net of provisions) of accounts sold	6,678.75	2,658.29
(iii) Aggregate consideration	6,010.88	2,392.46
(iv) Aggregate consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / loss over net book value	576	217

Asirvad Micro Finance Limited

Particulars	31 March 2024	31 March 2023
(i) Number of Accounts	578,232.00	3,81,103.00
(ii) Aggregate value (net of provisions) of accounts sold	21,020.19	12,459.28
(iii) Aggregate consideration	19,113.48	11,315.36
(iv) Aggregate consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / loss over net book value (As Per Ind AS)	1,425.00	1,036.95

Manappuram Home Finance Limited

Particulars	31 March 2024	31 March 2023
Number of Accounts	482	563.00
Aggregate amount	332.90	391.98
Sale consideration ²	249.68	274.39
Number of transactions	1	1.00
Aggregate gain/(loss) over net book value	(83.23)	(116.20)

Details of stressed loans transferred to ARC

Manappuram Home Finance Limited

Particulars	31 March 2024	31 March 2023
	To ARCs	To ARCs
No. of accounts	482.00	563.00
Aggregate principal outstanding of loans transferred	332.90	3,919.81
"Weighted average residual tenor of the loans transferred"	141.15	144.09
Net book value of loans transferred (at the time of transfer)	223.38	223.38
Aggregate Consideration	249.68	274.39
Additional consideration realized in respect of accounts transferred in earlier years	-	-

Asirvad Micro Finance Limited

Particulars	31 March 2024	31 March 2023
(i) No of Accounts	124,545.00	275,093.00
(ii) Aggregate principal outstanding of loans transferred	2,952.59	3,221.00
(iii) Weighted average residual tenure of the loans transferred (Months)	9.49	5.63
(iv) Net book value of loans transferred (At the time of transfer)	1,636.05	1,059.40
(v) Aggregate consideration	1,464.50	1,063.00
(vi) Additional consideration realised in respect of accounts transferred in earlier years	-	-
(vii) Investment in Security Receipts (SR)	1,266.91	

Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 51: Segment reporting

Particulars	Year Ended	
	31 March 2024	31 March 2023
1 Segment revenue		
Gold loan and others	61,881.46	49,906.71
Microfinance	27,319.42	17,592.76
Total Segment revenue	89,200.88	67,499.47
2 Segment results (Profit before tax)		
Gold loan and others	23,378.81	17,303.34
Microfinance	6,216.36	3,107.16
Total Segment results	29,595.17	20,410.50
3 Segment assets		
Gold loan and others	342,374.23	293,208.66
Microfinance	125,104.79	101,832.66
Total Segment assets	467,479.02	395,041.32
4 Segment liabilities		
Gold loan and others	248,095.43	211,995.22
Microfinance	103,613.80	86,393.85
Total Segment liabilities	351,709.23	298,389.07

Note 52: Derivatives disclosures as per RBI

As at 31 March 2024, the Group has recognised net Market to Market (MTM) Loss of ₹ 53.09 Mn (31 March 2023 ₹230.13 Mn) relating to derivative contracts entered to hedge the foreign currency risk of future interest payment on fixed rate foreign currency denominated bond and foreign currency term loan, repayment of fixed rate foreign currency denominated bond and loans designated as cash flow hedges, in Hedging Reserve Account as part of the Shareholders' funds. Refer to Note no. 19 'Derivative Financial Instruments'.

Details of outstanding derivative contracts as at the year end.

Type of Derivatives	As at 31 March 2024		As at 31 March 2023	
	No of contracts	Value (USD)/EURO	No of contracts	Value (USD)/EURO
Forward Contracts entered into hedge the currency risk of future interest payments	8	43,847,823	8	90,654,951
Cross currency with interest rate (USD)	1	12,000,000	1	15,000,000
Cross currency with interest rate (EURO)	-	-	3	25,000,000
Currency Swaps	3	100,000,000	-	-

Type of Derivatives	As at 31 March 2024		As at 31 March 2023	
	No of contracts	Value ₹ In million	No of contracts	Value ₹ In million
Forward Contracts entered into hedge the currency risk of future interest payments (in USD)	5	3,657	8	7,449.12
Cross currency with interest rate (USD)	1	1,000	1	1,233.25
Cross currency with interest rate (EURO)	-	-	3	2,240
Currency Swaps	3	8,341	-	-



Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Disclosure required as per RBI requirements; Forward rate agreement / Interest rate swap

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
i) The notional principal of swap agreements	9,340.99	3,473.46
ii) The notional principal of forward rate agreements	3,657.13	7,449.12
ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements.	135.67	262.98
iii) Collateral required by the NBFC upon entering into swaps	2,600.00	2,600.00
iv) Concentration of credit risk arising from the swap	-	-
v) The fair value of the swap agreements	(118.55)	-
vi) The fair value of the forward rate agreements	144.01	230.13

Disclosure required as per RBI

Exchange Traded interest rate (IR) derivatives : NIL

Disclosures on risk exposure of 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 interest rate and currency swaps, interest rate options and forwards. The Company undertakes forward contracts 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 Finance Resource Committee and Risk Management Committee closely monitors such transactions and reviews the risks involved.

Particulars	31 March 2024		31 March 2023	
	Swaps	Forward Agreements	Swaps	Forward Agreements
i) Derivatives (Notional principal amount)				
For Hedging	12,814.44	11,106.25	3,473.46	7,449.12
ii) Marked to Market Positions	-	-	-	-
a) Asset (+)	398.65	8.33	262.98	-
b) Liability (-)	90.91	32.85	-	32.85
iii) Credit Exposure	-	-	-	-
iv) Unhedged Exposure	-	-	-	-

Note 53: Disclosure as per amended Schedule III to the Companies Act, 2013

53A: Disclosure on the following matters required under Schedule III as amended not being or applicable in case of the company, same are not covered such as

- No proceedings have been initiated or are pending against the Group for holding any Benami property under the Benami Property (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- No registration or satisfaction of charges are pending to be filed with ROC except for few instances where delay was not beyond 30 days.
- The Group has not entered into any scheme of arrangement.
- There are no transactions which have not been recorded in the books.
- The Group has not traded or invested in crypto currency or virtual currency during the financial year.

Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 53B: Utilisation of Borrowed funds or share premium

- (i) No funds 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 to 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.
- (ii) No funds 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.

Note 53C: Capital Work In Progress (CWIP)/Intangibles under development aging schedule

CWIP	Amount in CWIP for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	26.87	1.74	102.52	202.34	333.45
Projects temporarily suspended	-	-	-	-	-
Intangibles under development	0.14	-	0	0	0.14

Note 53D: Relationship with struck off companies

The Group has not entered in to any transactions during the year with the companies struck off under section 248 of Companies Act, 2013.

Note 53E: Standards issued but not yet effective

On March 24, 2021, the Ministry of Corporate Affairs ('MCA') through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. The Group has evaluated the same for reporting.

New Technical Pronouncement: The Ministry of Corporate Affairs ("MCA") notifies of new standards or amendments to existing standards. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below;

Ind AS 1- Presentation of Financial Statements – The amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies.

Ind AS 8- Accounting Policies, Changes in Accounting Estimates and errors- This amendment has introduced a definition of 'Accounting Estimates' to help entities distinguish changes in accounting policies from changes in accounting estimates.

Ind AS 12- Income Taxes- This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

The company adopted these amendments from annual periods beginning on or after April 1, 2023.

There is no such notification which would have been applicable from April 01, 2024

Note 54: Fraud

During the year there have been certain instances of fraud on the Group by officers and employees where gold loan related misappropriations / cash embezzlements / burglaries have occurred for amounts aggregating to ₹ 434.22 Mn (31 March 2023: ₹ 291.24 Mn) of which the Group has recovered ₹ 142.23 Mn (31 March 2023: ₹ 106.08 Mn). The Group has taken insurance cover for such losses and has filed insurance claims in this regard. Further, the Group is in the process of recovering these amounts from the employees and taking legal actions, where applicable. The Group has created provision aggregating to ₹ 293 Mn (31 March 2023: ₹ 185.16 Mn) towards these losses based on its estimate.



Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 55: Goodwill on consolidation

Goodwill on consolidation represents the excess purchase consideration paid over value of net assets of acquired subsidiaries on the date of such acquisition. Such goodwill is tested for impairment annually or more frequently, if there are indicators for impairment. The Management does not foresee any risk of impairment on the carrying value of goodwill as at 31 March 2024.

Note 56: Disclosure on modified opinion, If any, expressed by auditors, its impact on various financial items and views of management on audit qualifications

The auditors have expressed an unmodified opinion on the consolidated financial statements of the Company for the financial years ended March 31, 2024 and March 31, 2023.

Note 57: Disclosure on Long Term Contracts

The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

Note 58: Disclosure on Investor Education and Protection Fund

Amount of Unclaimed dividend 4.40 Mn transferred to the Investor Education and Protection Fund during the year 2023-24.

Note 59: Restatement of Comparative Financial Statement

Pursuant to the requirements of IND AS 8 on Accounting Policies, Changes in Accounting Estimates and Errors, during the year, Asirvad Micro Finance Limited has carried out restatement of the comparative financial information and the impact of such restatement on the financial statement for the year ended 31 March 2023, and reporting periods beginning 01 April 2022 is as follows:

Financial line item	As at and for the year ended 31 March, 2024	As at and for the year ended 31 March, 2023	As at April 01, 2022
Employee benefit expenses	0.64	(21.02)	NA
Tax Expense	(0.16)	(508.79)	NA
Other comprehensive income	180.92	(175.70)	NA
Total comprehensive Income / (Loss)	180.44	(1235.34)	NA
Investments	(241.77)	(659.14)*	(277.10)
Derivative financial instruments	-	(142.67)	(142.67)
Deferred tax assets (net)	51.64	666.97	116.55
	190.13	12.45	(303.22)
Earnings per equity share (Face Value of ₹ 10/- per share)			
- Basic	(0.00)	(0.30)**	NA
- Diluted	(0.00)	(0.30)**	NA

*Includes accrued interest on G-Sec amounting to ₹ 147.25 lakhs which was reclassified to Other financial assets

**The Restated earnings per share (EPS) has been calculated after considering the impact of bonus shares (2:1) issued by the Company during the current financial year.

Note 60: Undisclosed income

There are no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 61: Disclosure of penalties imposed by RBI and other regulators

i) Manappuram Finance Ltd.

Regulator	Regulation	Amount of Penalty	Paid details
Assistant Commissioner of Central Tax, Vijayawada CGST Divisional Office	Section 74 of Central Goods and Services Tax Act, 2017 and Andhra Pradesh Goods and Services Tax Act, 2017 / Read with Integrated Goods and Services Tax Act, 2017	₹ 1.45 Crore	The Company is of the firm view that the allegation raised in the Order is not tenable. Further, the Company is in the process of filing an Appeal
Office of Deputy Commissioner, State GST, Raipur, Chhattisgarh	Section 61 & 73 of Central Goods and Services Tax Act, 2017 Read with Integrated Goods and Services Tax Act, 2017	₹0.36 Lakh	The Company is of the firm view that the allegation raised in the Order is not tenable. Further, the Company is in the process of filing an Appeal
Office of Deputy Commissioner, State GST, Panchkula, Haryana	Section 74(9) of Haryana Goods and Services Tax Act, 2017/ Central Goods and Services Tax Act, 2017 Read with Integrated Goods and Services Tax Act, 2017	₹ 8.93 Lakh	The Company is of the firm view that the allegation raised in the Order is not tenable. Further, the Company is in the process of filing an Appeal.
Office of the Assistant Commissioner of State Tax, Excise and Taxation Dept, Government of Punjab.	Section 73 of Punjab Goods and Services Tax Act, 2017/ Central Goods and Services Tax Act, 2017	₹ 856/-	Paid
Reserve Bank of India	clause (b) of sub-section (1) of Section 58 G read with clause (aa) of sub-section (5) of Section 58 B of the Reserve Bank of India Act, 1934.	₹ 42.78 lakh	Paid
Reserve Bank of India	Non-compliance of provisions of the "Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016".	₹ 20 lakh	Paid
BSE	Non-disclosure of information related to payment obligations -Regulation 57(1) - For Month ended June 2023 - INE522D14NV1	₹ 34220/-	Set off the penalty with the penalty already waived off by BSE

ii) Asirvad Micro Finance Limited

Regulator	Reason	Amount (in Rupees)
SEBI	Fine for ISIN- INE516Q07309 under Regulation 60(2)	11,800
SEBI	Fine for ISIN- INE516Q08364 under Regulation 57(1)	3,540



Notes

to Consolidated Financial Statements for the Year ended 31st March, 2024 (All amounts are in millions, unless otherwise stated)

Note 62: Previous year figures

Previous year figures have been regrouped/reclassified, where necessary, to confirm current year's classification.

As per our Report of even date

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No:105047W

Sd/-

Tushar Kurani

Partner
Membership No: 118580
Place :Kolkata

For **S K Patodia & Associates LLP**
Chartered Accountants
ICAI Firm Registration No:112723W/W100962

Sd/-

Ankush Goyal

Partner
Membership No:146017

Place: Valapad
Date: 24th May, 2024

For and on behalf of the Board of Directors

Sd/-

V. P. Nandakumar

Managing Director & CEO
DIN: 00044512

Sd/-

V. R. Ramachandran

Non Executive Director
DIN:00046848

Sd/-

Bindu A. L

Chief Financial Officer

Sd/-

Manoj Kumar V. R

Company Secretary

Place: Valapad
Date: 24th May, 2024

Annexure - I

**STATEMENT CONTAINING THE SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF
SUBSIDIARIES / ASSOCIATE COMPANIES / JOINT VENTURES**

(Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013,
read with Rule 5 of the Companies (Accounts) Rules, 2014 - AOC -1)

PART A Subsidiaries

All Amounts are in millions

Name of Subsidiary	The date since when subsidiary was acquired	Reporting period	Reporting currency	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit Before Tax	Profision for Tax	Profit After Tax	Proposed Dividend	Extent of Shareholding	Latest Audited Balance sheet
Asirvad Micro Finance Limited	2/12/2015	01-04-2023 to 31-03-2024	Rupees	2,002.83	19,488.16	125,104.79	103,613.80	3,832.61	26,813.14	6,216.35	1,633.31	4583.04	Nil	97.60%	3/31/2024
Manappuram Home Finance Limited	3/12/2014	01-04-2023 to 31-03-2024	Rupees	2,000.00	560.43	16,160.91	13,600.48	359.85	2,428.05	275.66	76.65	199.02	Nil	100.00%	3/31/2024
Manappuram Insurance Brokers Limited	1/1/2016	01-04-2023 to 31-03-2024	Rupees	15.70	597.64	657.60	44.26	-	1,041.21	976.12	243.79	732.33	Nil	100.00%	3/31/2024
Manappuram Comptech And Consultants Ltd	3/30/2019	01-04-2023 to 31-03-2024	Rupees	52.70	188.52	309.75	68.53	0.05	531.59	113.80	27.97	85.84	Nil	99.81%	3/31/2024

Note

- Names of subsidiaries which are yet to commence operations : Nil
- Names of subsidiaries which have been liquidated or sold during the year : Nil

PART B Associated or Joint ventures

Name of Associate or Jointventures	The date since when associate or Joint Venture was acquired or associated	Reporting period		Extent of holding	Description of How there is significant influence	Reason why Associate/ Joint venture not consolidated	Networth attributable to shareholding as per latest balance sheet date	Profi or loss for the year		Name of associates / joint ventures yet to commence operations	Name of associates / joint ventures which have been liquidated or sold
		Shares	No Amount					(i) Considered in for consolidation	(ii) Not considered in for consolidation		
Nil	-	-	-	-	-	-	-	-	-	-	-

For and on behalf of the Board of Directors

V.P. Nandakumar
Managing Director & CEO
DIN: 00044512

V. R. Ramachandran
Non Executive Director
DIN:00046848

Bindu A. L
Chief Financial Officer

Manoj Kumar V. R
Company Secretary

Place: Valapad
Date: 24th May, 2024

Corporate Information

Registered Office/Corporate Office

W-4/638 A, Manappuram House
Valapad P.O, Thrissur - 680567, Kerala
Tel: 0487-3050100-108
E-mail: cosecretary@manappuram.com
Website: www.manappuram.com

Corporate Office (Annexe)

A-Wing, 3rd Floor, Unit No. 301 No. 315
Kanakia Wall Street, Andheri Kurla Road
Andheri East, Mumbai,
Maharashtra - 400093
Tel: 022 266743 11

Chairman

Mr. Shailesh J Mehta

Managing Director & CEO

Mr. V P Nandakumar

Board Members

Mr. P. Manomohan
Adv V.R. Ramachandran
Mr. Abhijit Sen
Mr. Harshan Kollara
Ms. Pratima Ram
Adv. V.P. Seemandini
Dr. Sankaran Nair Rajagopal
Mr. E.K. Bharat Bhushan
Mr. T.C. Suseel Kumar

Executive Director

Dr. Sumitha Nandan

Chief Financial Officer

Ms. Bindhu A L

Company Secretary & Compliance Officer

Mr. Manoj Kumar V R

Registrar and Share Transfer Agents - Shares

Link Intime India Private Limited
Surya, 35, Mayflower Avenue,
Behind Senthil Nagar,
Sowripalayam Road,
Coimbatore - 641028,
Tamil Nadu
Phone No: 0422 - 4958995 /
2539835 / 836
Email: coimbatore@linkintime.co.in

Registrar and Transfer Agent - Debentures

Link Intime India Private Limited
C-101, 247 Park, LBS Marg
Vikhroli (West),
Mumbai - 400083
Tel: + 91 22 49186000
www.linkintime.co.in

Debenture Trustees

Catalyst Trusteeship
(Formerly known as GDA
Trusteeship Limited)
GDA House, Plot No. 85, Bhusari Colony
Paud Road, Pune - 411 038
Tel: +91 20 25280081
Fax: +91 20 25280275
E-Mail: dt@ctltrustee.com

Statutory Auditors

- (1) M S K A & Associates
Chartered Accountants
602, Floor 6, Raheja Titanium
Western Express Highway
Geetanjali, Railway Colony
Ram Nagar, Goregaon (E)
Mumbai - 400 063
- (2) S K Patodia & Associates
Chartered Accountants
Choice House, Shree
Shakambari Corporate Park
Plot No. 156-158, J B Nagar
Andheri (East)
Mumbai - 400 013

Secretarial Auditor

KSR and Co Company Secretaries LLP
'Indus Chambers', Ground Floor No. 101
Govt. Arts College Road
Coimbatore - 641018
Tel: 0422-2305676, 2302867

Bankers/Financial Institutions

- 1 Axis Bank
- 2 Federal Bank
- 3 HDFC Bank
- 4 ICICI Bank
- 5 IDBI Bank
- 6 Kotak Mahindra Bank
- 7 Punjab National Bank
- 8 South Indian Bank
- 9 State Bank of India
- 10 Indusind Bank
- 11 Union Bank of India
- 12 Bank of Baroda
- 13 RBL Bank
- 14 Indian Bank
- 15 Nabard
- 16 KVB - Karur Vysya Bank
- 17 Yes Bank
- 18 Shinhan Bank
- 19 HSBC
- 20 Bank of India
- 21 UCO Bank
- 22 Karnataka Bank
- 23 Citi Bank
- 24 SMBC
- 25 Bandhan Bank
- 26 Bank of Maharashtra
- 27 DBS Bank
- 28 Canara Bank
- 29 Ujjivan Bank
- 30 Bajaj Finance
- 31 CSB Bank
- 32 Dhanlaxmi Bank



REGISTERED OFFICE:
W-4/638A, MANAPPURAM HOUSE
VALAPAD PO, THRISSUR - 680 567, KERALA
CIN NO.: L65910KL1992PLC006623

www.manappuram.com